Picking Tomorrow's Market Leaders

Largest Circulation of Any Canadian Financial Paper

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Canadian Mining News Department Page 16

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The Nation's Business

Western Distress Largely Localized
Position of Lenders
The Film Combine
Trust-Busting Takes Too Long
Irvin S. Cobb Cracks a Joke

Loan Companies and the West

ABUNDANT rain has fallen in the Prairie Provinces during the past week. This, together with what fell previously in Alberta, gives that province first rank in wheat crop prospects, the southern and northern areas being fairly good and the Peace River district excellent. Manitoba ranks next, wheat in that province having developed for some time on the strength of sub-soil reserves, although depreciation was very noticeable in the last two or three weeks of June. The southwest corner of the province suffered most and, although some permanent damage has been done, there should be fair recovery from now on.

In Saskatchewan, latest estimates indicate that 65 per cent, at least, of the wheat acreage can produce a light yield only, failure of germination and extensive drifting due to drouth having gone too far to be greatly benefitted by last week's or future rainfall. Wheat crop prospects therefore are for little better than half a crop, probably ranging between 200,000,000 and 250,000,000 bushels. In other provinces crop prospects are excellent and, in spite of low prices, most farmers should receive a fair return for their labors.

* * *

WITHOUT minimizing in any way the seriousness of the situation it is, however, fair to say that outside of southern and central Saskatchewan, the agricultural situation is not alarming. In other words, although the crop failure in those two areas is without doubt a national problem to be faced with emergency measures, no national calamity has fallen upon us and the prospect of the total value of our agricultural production exceeding a billion dollars, and even perhaps totalling more than the 1930 figure of $1,240,000,000, is quite a reasonable one, especially when it is remembered that 1930 was a year of steadily declining prices for farm products, whereas in 1931, prices stiffened perceptibly in April and give promise of finishing the year at levels considerably higher than now prevail.

* * *

IN SPITE of this prospect (which is considerably more optimistic than current discussion of the prairie and wheat outlook would indicate), the problem of Canadian financial institutions with heavy investments in western Canada is a real one. Although detailed figures are not obtainable, it is probable that Canadian insurance, loan and trust companies have about $100,000,000 invested in mortgages in the three prairie provinces of which a large percentage is in farm mortgages. This is irrespective of the huge stake of Canadian chartered banks in loans on farm property. Every year a certain percentage of such mortgages is written off, but this year this write-off will undoubtedly be far more than normal and may in some cases involve important readjustments in the affairs of individual companies. Under these circumstances, could not these institutions anticipate this and devise some means whereby, without jeopardizing their position as creditors, the load could be made easier for individual farmers and at the same time a bond of goodwill be created between the western borrower on the one hand and the financial institutions on the other?

* * *

EXECUTIVES of leading institutions with whom The Financial Post discussed this idea, although quick to appreciate its possibilities, nevertheless were hesitant about its practicability. In the first place they feel that already they are doing their very utmost by way of extension of credit and by actual participation in farming themselves, and that anything of this sort which would of necessity involve some sort of moratorium would result in inequalities which would to a great extent offset its advantages. They feel also that until the federal government announces its intentions for aiding farm relief they would be unwise to commit themselves to any such plan.

One example of the way in which these companies are already working hand in hand with their farmer mortgages was given by the general manager of one of the leading life companies who told of his company having purchased and operated last year a complete threshing outfit to help the farmers in a district in which they were interested. This year another complete outfit has been purchased and will be operated to implement the first one in the same district. "We are just as much in the farming business as we are in the life insurance business," he said.

But the factor of psychology is just as important in this situation as it is in world affairs, where the Hoover moratorium has had a stimulating effect quite disproportionate to the actual relief afforded. If the loaning institutions could, by a public statement, indicate a policy of definite co-operation with the distressed areas the effect would be

(Continued on page 2, col. 5)

MILLERS FIGHT EXPORT MART DIFFICULTIES

Aggressive Efforts Made to Hold Position Abroad

SMALL PROFIT MARGIN

Reorganization of Industry Foreseen Unless Conditions Show Improvement

From Our Own Correspondent

MONTREAL.—With mills operating far below capacity, faced with no relaxation from their struggle for a position in export markets and possessing a potential production which substantially outstrips normal demand, Canadian flour millers are able to make little headway against conditions which they encounter today. Some plants are idle, others are working at around 40 per cent of capacity; the margin of profit on current orders, in some cases, is almost negligible.

Every effort is being made to uphold the market which has been established in foreign countries by well-known brands of Canadian flour, but there have been instances where export orders have been taken at cost, so keen has competition become. Millers realize that once the trade name of a flour is allowed to be forgotten in a foreign market the difficulties of re-establishment are onerous. Rather than this should happen, they are willing to sell at prices which preclude much profit.

Use Cheaper Wheat

British and foreign millers have turned in the past two years to lower grades of wheat to supply their demands. They have been able, by skilful blending, aided by supplies of Russian wheat, to utilize inferior grades as opposed to the higher-grade and higher-priced Canadian wheat. The result has been that Canadian flour, made from a high-grade wheat, is immediately placed at a disadvantage as regards price in the export market.

No Relief in Sight

The situation has existed for the past year or more; what is of prime importance, however, is the question of how long it will continue. At present there is no immediate relief in sight; though Canadian wheat prices are relatively at a low point they are still above the world parity.

Naturally, bread utilizing flour ground from inferior grades of wheat is not of equal quality; nevertheless the fact remains that millions of people in Britain and foreign countries are eating this bread and apparently are willing to do so.

May Take Definite Action

If there is not a radical change in the situation there is every indication that there will be a change in the Canadian flour milling industry. The milling companies will close their year around the end of August and it is likely that financial statements in some cases will show no im-

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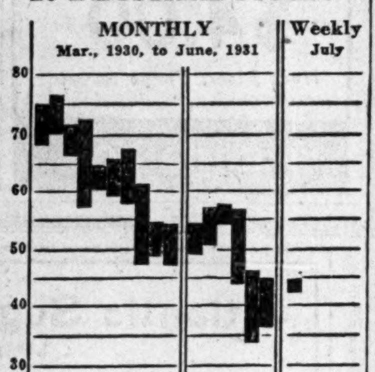
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of July 7	44.7	42.8
Week of June 29	45.4	41.0
Month of July, 1930	66.7	59.7
8 Bank Stocks		
Week of July 7	230	229
Week of June 29	231	229
Month of July, 1930	256	249
10 Public Utilities		
Week of July 7	72	70
Week of June 29	73	69
Month of July, 1930	93	88

Canadian Locomotives Operates Under 10 P. C.

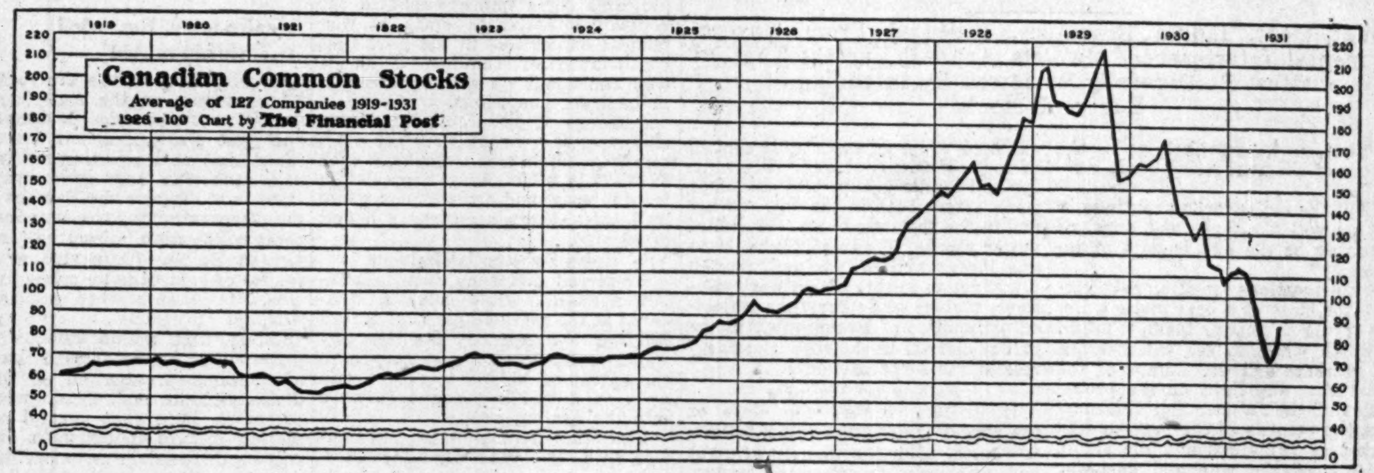
In the cycle of feast and famine that is the continuing lot of locomotive builders this is the famine cycle. Thus, the Canadian Locomotive Company is not enjoying a profitable year. The company was able to show good earnings in 1930, chiefly to extra orders for locomotive equipment, but 1931 has not seen a resumption of buying either of locomotives or of equipment.

Canadian Locomotives carried over unfinished business to the amount of five locomotives at the end of 1930 but these were finished in January. There was also some carryover of locomotive equipment business but most of this is now complete. Railways have shut down on equipment orders in a desperate effort to make their capital expenditures and operating expenses square with their declining revenues and prospects for new orders for locomotives are rather remote.

Company has run along recently on orders for mining machinery, principally castings for mines and smelters. This business, however, is a secondary line and the plant as a whole is now operating, The Financial Post learns, at less than 10 per cent of capacity.

Preferred dividends were passed for 1930. This represented the first break in the dividend payments of the company since the shares were originally offered in June, 1911. Company has paid no common dividend since 1925. It is well fortified as to working capital and the plant is at all times maintained in good condition. If and when railways begin to buy additional traction equipment Canadian Locomotive Company is certain to get its share but, as intimated above, such purchases are not likely to be made in the near future.

Has Turn Finally Come in Canadian Stocks?



After touching average levels of 1924, Canadian common stocks have turned upward. Investors now are anxiously waiting to see if the upswing does or does not represent the beginning of long term improvement. The chart shows the whole of the post-war movement of Canadian stocks.

TRY TO MERGE OVERCROWDED BOX COMPANIES

New York Group Seek to Integrate Big Field

The attempts, made about a year ago, to effect a merger of various companies in the container, carton and paper box field in Canada, have been renewed, a New York organization now endeavoring to bring the different companies together.

Demoralization in the container and paper box field in Canada came first as a reflection of similar conditions in the United States and was intensified by the erection of a number of new plants that definitely provided excess production capacity. While the present government at Ottawa has given to the package trades substantial protection against products dumped in from the United States, there is considerable price cutting now in the field. Few of the companies are earning normal profits.

Offers have been made to several of the companies but it is not known if the merger is any nearer consummation than it was a year ago. In any event some of the companies, including Hinde and Dauch, Dominion Paper Box (subsidiary of F. N. Burt Company), and some others are not at all likely to entertain merger suggestions.

Many Companies in Field

A number of companies, in which investors are interested, are engaged in one branch or other of the business of manufacturing packaging material. Several of the newsprint and kraft companies manufacture box board and paperboard as a sideline, these products being sold to the carton and container companies for manufacture into boxes. Canadian Paperboard Company is engaged exclusively in the paperboard and boxboard field. This company is now being operated by a trustee, the depressed conditions in the field having followed closely upon the heels of the erection of its new factory in Toronto.

Hinde and Dauch Paper Company was another company that increased plant capacity. It built a straw paper plant at Trenton, Ont., in 1927, and enlarged its boxboard plant in Toronto in 1929.

Another large boxboard plant was built in Toronto about the same time when Dominion Boxboards was formed as a subsidiary of Dominion Envelopes and Cartons.

This large concentration of new plants to make various forms of paperboard in the Toronto area created an excess productive capacity that was intensified by the surplus machines in other paper mills that decided to utilize some of their capacity to make paperboard lines.

There was an equal over-expansion in the field of manufacturing the containers for which the boxboard and paperboard are the raw material. In 1929, Corrugated Paper Box Company built a large new plant at Leaside, Ont., to make solid fibre shipping containers. About the same time Firstbrook Boxes erected a large plant at Weston, also on the outskirts of Toronto. Canadian Wirebound Boxes began the production of corrugated paper boxes.

A number of smaller concerns also entered the field or enlarged their capacity to manufacture shipping containers, cartons and various forms of paper boxes.

It is to bring closer integration into the field that the New York group are working on a merger.

How Can Investor Select Tomorrow's Market Aces?

Many investors ask The Financial Post how they are to choose the stocks that may prove to be the stock market leaders in the next period of rising prices. The Financial Post is an investment and not a speculators' paper and it does not attempt to pick stocks for market appreciation. But this is also an investors' as well as a traders' problem. The world economic upset has completely altered the position and prospects of many companies. The gilt-edged stocks of 1912 were not in every case the gilt-edged securities of 1922. The favored investments of 1922 did not all survive the tests of much prosperity. And in the next five years investment attention will shift from some of the leaders of 1928 and 1929.

Without prejudice and without any claim to prophetic vision, The Financial Post will publish a series of articles on good Canadian stocks that seem to meet the most obvious tests that need to be applied to good securities. The first article in the series outlines the record of some former leaders and tells why some disappeared and why some remained. It also discusses some essential tests. It is on page two. Further articles will discuss individual stocks.

East Geduld May Earn 10c a Share for Dome

South African Investment Rated as Very Promising Investment For Canadian Company

Information given to The Financial Post indicates Dome Mine's investment in East Geduld Mines, a near producer in South Africa, will about double the yield returned from its investment in bonds.

On a basis of dividends of from 5 to 7 shillings per share, as estimated by the Mining World of London, England, the investment will mean between 10 and 14 cents per share for Dome stockholders.

Already current market quotations for the shares permit of a 20 per cent profit if Dome officials wish to take it. While the investment is a heavy one it does not impair Dome's $5,000,000 of liquid assets. The property is just ready to start production and has proved ore reserves sufficient from 20 to 30 years operations at current capacity. Dome directors' action in transferring a portion of the company's investments from bonds, largely in American railways, to an investment in its own line of endeavor—gold mining—is regarded as a logical one, more particularly since it is within the British Empire.

Has Large Capital

East Geduld Mines, incorporated in South Africa in 1927, was financed and managed by the Union Corporation, also manager for several low cost producers in the area including the Geduld Proprietary Mines. Through the terms of the agreement the Union Corporation had the right to find up to £725,000 of the capital required. The Geduld Proprietary had the right to find approximately £600,000 of the capital required, given in consideration of its developing the property at depth from its own adjoining workings. East Geduld has an authorized capitalization of

(Continued on pagt 3, col. 5)

Hamilton Bridge Profits Cover Preferred Dividend

About 5,000 Tons of Structural and Bridge Contracts on Hand Assure Senior Disbursement

Although directors of Hamilton Bridge Company recently decided to pass the common stock dividend due on August 1 next, the preferred dividend due on that date was declared and will be paid. The Financial Post learns that the directors are satisfied that the company will earn preferred dividends this year. To be in a position to take advantage of contracts that are likely to offer themselves when construction becomes more active, the company desires to maintain a strong working capital position and this dictated the suspension of the common dividend.

Several Contracts on Hand

Hamilton Bridge has a number of good contracts on hand and in process of being worked out. These aggregate something over 5,000 tons. The largest job still going through the plant calls for 4,000 tons of steel for the Toronto Hamilton and Buffalo Railway track elevation in Hamilton, a job now under contract to the Dominion Construction Company. This represents about $425,000 of business for the company.

Additional contracts on hand at the present time are as follows:

County of Waterloo, bridge, $16,000;

T. Eaton Company, steel for store at Sault Ste. Marie, $29,000;

Wright-Hargreaves Mines, steel for head frame and crushing plant, $45,000;

Steel for incinerator plant at Hamilton now being built by Poag & Kemp, contractors, $29,000.

There are in addition several smaller contracts aggregating considerable tonnage and value.

There are a number of jobs in prospect and Hamilton Bridge, which is well equipped to handle structural steel business as well as bridge business, is likely to get its share of them. This should keep the plant operating until a more general pickup in business is recorded. However, orders in prospect do not warrant the assumption that the plant will be operated at capacity.

Western Plant Busy

It was recently reported in Vancouver that Western Bridge Company, which operates the company's Vancouver plant, has substantial orders on hand.

Besides two plants in Hamilton and one in Vancouver the company completed some time ago a modern plant in Toronto on a well-equipped harbor front site. This plant is not now operating, the company deeming it advisable to concentrate eastern production in the Hamilton units to avoid adding to overhead.

The Toronto plant will be brought into production if and when prevailing business conditions warrant such a step.

Common Dividend Cut

Directors of Hamilton Bridge Co. have passed the quarterly dividend due August 1 on the common stock. Regular dividends on the preferred stock, however, were declared.

There are 100,000 shares of no par common stock outstanding. An initial payment at the rate of $2 per annum was made in May, 1930. This was continued for one year when the disbursement was cut in half last May.

Earnings Were Lower

While no figures on current earnings have been published this year, the financial statement for 1930 showed a sharp falling off in profits. Net profits after depreciation and taxes were $303,340 as compared with $553,274 in 1929.

After payment of preferred dividends there remained a sum equal to $1.57 a share on the common stock. This was sufficient to take care of dividends paid during the year amounting to $1.50 a share, and left a margin of $7,090.

The balance sheet showed a satisfactory position with a working capital of $1,364,877; current assets were more than five times current liabilities.

Include Western Earnings

These figures included figures of the company's subsidiary, Western Bridge Co. This wholly owned subsidiary was created in 1929, to operate a plant in Vancouver, purchased from J. Coughlin and Sons. Extension of this western plant has been considered but a definite move awaits improvement in business conditions.

BENNETT DROPS NON-RESIDENT DIVIDEND TAX

Postponement to Become Permanent, Ottawa Now Hears

From Our Own Correspondent

OTTAWA.—The budget changes already announced by Rt. Hon. R. B. Bennett are only the forerunners of other changes which will be made public when the budget as a whole comes before the ways and means committee of the Commons.

Up to date, Mr. Bennett has abandoned his changes in the operation of the sales tax, and has restored the exemption list which he originally rescinded. As the new sales tax now stands, it is the Dunning tax with a rate of 4 per cent instead of 1 per cent.

Other and equally important budget changes, however, are still to come. Mr. Bennett will abandon his proposal to place a tax on foreign investments in Canada. There has been a good deal of criticism of this feature of the taxation changes, and the prime minister who seems surprisingly alive to public opinion, has decided not to go through with it.

There will be, also, numerous changes in the new tariff rates. The nature of these changes cannot be forecast because Mr. Bennett is keeping the facts strictly to himself, but the chances are that the changes in the tariff amendments will be more important than in the sales tax.

Tax Penalty Severe

The provisions of the new income tax legislation, now before the House of Commons, are causing some anxiety among the taxpayers of the country.

One provision, in particular, is meeting with opposition, and may be withdrawn when the bill is before committee. This provision declares that in the event of any taxpayer failing to declare the full amount of his income, the amount which is not declared shall be superimposed on his tax statement and he will have to pay the highest rate upon it. In other words, all unreported income will be deemed to be a direct increase of the taxpayer's taxable income, and he will pay, accordingly. Hitherto, the practice of the Income Tax branch has been rather loose in this respect. When inaccuracies were discovered, nothing much was done about it. The taxpayer usually revised his return and the balance due the government because of the discovery could be carried along at a low rate of interest. This feature of the tax, hereafter, will be much more severe.

It is rumored, although the tax officials do not confirm it, that this provision is due to certain discoveries made as a result of the conversion loan. It is said that the tax officials got busy on the information brought to light in connection with this loan. The ownership of the old bonds was revealed, and tax statements were checked up to see if all bond interest had been reported.

The hope is expressed, here, that the teeth now placed in the statute, provided the government goes through with the bill as it stands, will make taxpayers a little more careful in preparing their annual statements.

Western Provinces' Credit Is Now at Stake

WESTERN Premiers, called on to pay out twenty-five million dollars of public money on account of the Wheat Pool guarantees, made in February of last year, have still another problem to face. They have to concern themselves with the future of the Pool elevator systems, which remain although the Pool plan has been abandoned, and which constitute the security through which much of this money, over a long period, may be recovered.

It is disturbing to read not only that the Pool directors responsible for the present state of Pool affairs calmly contemplate remaining in office to control the elevators, but that there is some chance of Western Premiers risking more millions of public money and public credit in the hands of these men. Their good intentions need not be questioned, but no one, in face of their business record, has a right to place the taxpayer in jeopardy once again at their hands.

The taxpayer will have to wait until the next election to express his opinion of a Government that once again places a province's resources in the hands of these men, and the provincial premiers have plenty of political advisers who can calculate the consequences for them. But the governments will not have to wait for an election to discover the effect upon the bond buyer, whose good opinion constitutes the credit of a Government. They will find an immediate uneasiness, a definite unwillingness or even a refusal to buy western provincial bonds on the part of many investors, reflecting itself in a costly increase of interest rates, if they do not cut loose from the domination which too long has been exercised in provincial affairs by the group of men at the head of the Wheat Pools. Provincial credit can stand poor crops, it can stand low grain prices, for investors have faith in the productivity of the West and in its future. It can stand the issue of the twenty-five millions of new provincial bonds now made necessary, but is cannot stand loss of confidence in the ability of government itself.

The Wheat Pool directors have had their day. They have worked out their experiment to its ultimate conclusion, with every imaginable assistance from governments and financial institutions, and the result has been an appalling loss. Some other set of men must now take charge of the situation that has been created. The western government that does not insist upon this, or that is unable to bring it about, will not only risk its own political life, but will risk the credit of its province.

Imperial Oil Plans New Refining Unit To Make Better Gas

Development Follows on Heels of New Oil Process

OWN LAB. DOES WORK

Imperial Oil Engineers Developed New Process for Making High Grade Lubricant

The new "debutanizing" unit to be built by Imperial Oil at a cost of $1,000,000 at its Sarnia plant will be the first of its kind in Canada. Debutanizing is a process by which butane, one of the lighter elements in oil is removed in the refining process and then restored in measured quantities to provide a quicker starting gasoline. It is a new process and, in keeping with its policy of maintaining its refining units up-to-date, Imperial Oil has decided to spend a million dollars adapting it to its Sarnia refinery.

Imperial Oil is constantly rebuilding and modernizing its refineries. The original unit at Sarnia has been practically rebuilt since it was originally constructed and last year an extensive programme of capital expenditure on permanent improvements was completed.

The chief job undertaken in this rebuilding process was the erection of a plant to produce a superior motor lubricant by a process developed by Imperial Oil engineers themselves and believed in petroleum circles to represent the very last word in the refining of lubricating oils. This new plant was completed last year and came into production a few weeks ago.

Used For Marvelube

The new process developed by Imperial Oil for the manufacture of lubricating oils is now being used exclusively in making its principal branded lubricant, Marvelube. As an indication of what it accomplishes it is stated that the new Marvelube has been given a certificate of approval by the British Air Ministry for aviation use and that only one other oil—manufactured from Russian crude—has received such approval.

The process is really an extra step of purification and removes carbon and gum forming constituants to an extent not previously possible. It is accomplished by use of a selective absorbent which removes from petroleum hydro-carbons which in many cases are of no value as lubricants and often are detrimental. It was evolved under the direction of Dr. R. K. Stratford, head of the research division, and perfected during three years. The patent is held exclusively by the company and a completely new plant was designed and built to operate under this patent.

To ensure absolute purity the oil has several successive distillations in which the most detrimental of the hydrocarbons are removed and this is followed by a series of eight successive steps of treatment by the selective absorbent followed by a further fractionation to ensure that the product will have a close range of boiling points for each individual grade.

The new process for producing motor oils is believed to represent a substantial advance upon the hydrogenation system, now utilized in some of the world's most modern refineries. Advantages claimed for it are that it produces lubricating oil of equally high grade with a

(Continued on page 3, col. 4)

Hunt's Sales Drop, Profit Maintained

Net profit of Hunt's Ltd. during the first six months of the current year is reported to have been maintained at approximately the same level as in 1930 when $2.50 per share was earned on the 33,[illegible] shares of class A and class B stock outstanding. Dollar volume of business is believed to have shown some decline from the $572,246 reported for the first six months of 1930.

Summer business is reported to be satisfactory and while candy business is adversely affected by extrem
weather, soda fountain
cream business is incre
the latter part of June th
pany held an annivers
and volume of sales is
as being extremely sa
tory. No new stores hav
opened during the curren
An official statement
company's operations
the first six months of
rent year will be issued
the next few weeks it is
stood.

POOLING END FUTURE VA FOR ELEVAT

Some of Pool Grain May Remain Idle Year

From Our Own Corre

WINNIPEG.—Lack of
announcements respecting
tion of the wheat pools and
elevators, and plans for
during the coming crop yea
both to a desire on the part
agements and governments
infize the impending chang
fact that plans as yet are
nebulous.

It appears to be definitely
lished that there is to be
pooling. The Central Selling
under J. I. McFarland, is to
all grain received by the pro
pools up to July 15th, and
then on will receive no more
Mr. McFarland is to conti
charge of the sale of grain
hand until it is disposed of
responsibility being to the ban
to the Dominion government.
plan is to avoid any formal li
tion if at all possible. The C
Agency will simply wind
affairs when the last of the
sold, and, as there is no likeli
any money being left to dist
it will have no further functi
perform and its charter will
surrendered.

Pooling Also Ended

Nor is any attempt to co
pooling of grain to be made by
of the three provincial pool
spite of the fact that protest
of "business as usual" hav
made up to within a few days
in Alberta, President H. W. W
understood to have lost his fig
continue pooling, the majority
board being convinced that it is
possible to carry on. The Mani
organization has simply dropp
pooling as if such a thing had
been heard of, and all its plans
devoted to continuing control of
elevator system. In Saskatche
employees connected with pooli

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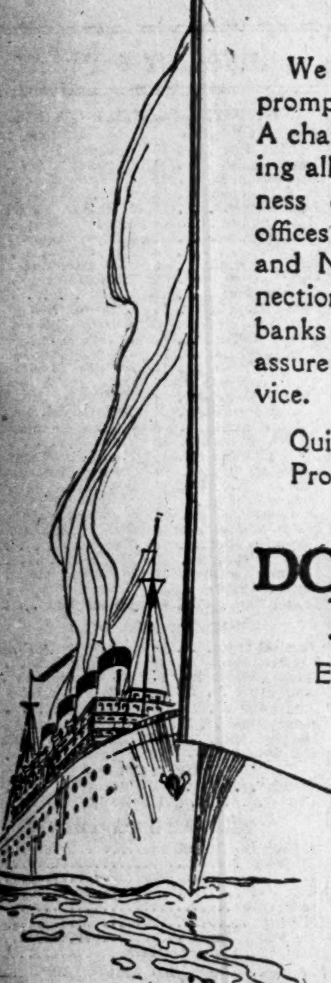
General Steel Wares Makes Price Reduction

From Our Own Correspondent

MONTREAL—Notwithstanding increases in sales tax, General Steel Wares has announced, effective July 1, a general reduction in prices on enamelled ware, galvanized ware, and other kitchen wares manufactured by the company.

This is the second step taken by General Steel Wares this year to reduce the cost of its merchandise to consumers. In April announcement was made that all charges for packing goods would be absorbed by the company.

Men's Fine Italian Milan Hats
Smart snap brim styles, with depressed crowns—cool and light, and very comfortable for motoring. $6.
Men's Genuine Panama Hats, made from high-grade Ecuadorian bodies. This is a Panama year. 8.50, $10, $12, $15 and $25.
Street Floor—Store for Men
THE ROBERT SIMPSON COMPANY LIMITED



Collections
Foreign and Domestic
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Leaders of '29 Boom Must Be Re-Valued By Today's Investor

Because a Stock Led in Last Bull Market It Does Not Follow That It Will Meet Tests of Next Rising Price Trend

MANY FORMER FAVORITES LOST FROM LIST

Management, Liquid Resources, Freedom From Governmental Interference, Markets Are All Factors That Must Be Carefully Reviewed By Intending Buyer of Stocks

"What stocks are likely to be the leaders of the next rising stock market."

"Will the old favorites continue to lead or will the 'cats and dogs' of yesterday be the bull leaders of tomorrow?"

These questions are often asked toward the close of a bear market. Before trying to answer them, it might be worth while to see whether the bull markets and the slumps of the past throw any light on the probabilities of the future. For this purpose, the records of the pre-war bull market of 1911-1912 and the slump of 1914, of the war and post-war markets and the depression of 1921, and of the subsequent long climb and the recent sharp recession have been consulted; and the results do suggest a method of attacking the problem of tomorrow.

It has been said that a good list of stocks is not likely to stay good more than six years or so. The records of 1912 and their sequel might be cited in support of this contention. While some of the 1912 leaders are leaders still, such as Montreal Light, Heat and Power and Shawinigan, there are many others which have long since ceased to lead. Of these some have disappeared through mergers or purchase (e.g. Richelieu and Ontario merged in Canada Steamships or Toronto Street Railway purchased by Toronto), others have fallen on evil days (e.g. Twin City or Duluth Superior—which sold above 80 in 1912), still others, like C. P. R. or Dominion Textile or Hollinger, have re-emerged on more than one occasion as market leaders only to be confronted by conditions so difficult as to make their prospects at least temporarily obscure. Perhaps mention should also be made of stocks like Bell Telephone or Consumers' Gas which after a lively youth have settled down into staid middle age as sober investment securities.

Failure of Tractions

The most striking fact about the 1912 leaders is the failure of a whole group of stocks—the tractions—to meet successfully the problems of the next era. Detroit United and Duluth Superior are outstanding illustrations, but Twin City, Winnipeg Electric—which sold at 269 in 1912—and Quebec Rails may also be cited.

Another point to be noticed is the difficulty in picking the future leaders from past records. Of the leading steel stock in 1912—Dominion Steel, Nova Scotia, Dominion Bridge and Steel of Canada—if an attempt had been made between 1912 and 1914 to select the future leaders, nothing but prophetic vision could have suggested Steel of Canada, apparently the weakest of the lot. Nor if, in June, 1914, a list of prospective market leaders had been drawn up is it at all likely that they would have comprised most of the leaders of the war market.

The outbreak of war in 1914 severely tested the ability of corporations to adjust themselves to new conditions. For the tractions, as we have seen, the test proved particularly difficult. Rising costs of material, of labor and of capital, while rates remained stubbornly fixed, spelt disaster; and if disaster was staved off for the moment, competition from the automobile was in time to complete what the war had begun. This particular group has never recovered its market leadership. Twin City is perhaps the most familiar example. Once a market favorite selling above 100 in Toronto, it now appears rarely and at less than a tenth of its former highs. The railways were in somewhat similar difficulties in the war period, so that it is not surprising that another 1912 leader, C. P. R., was relegated to the background in this bull market.

Some War Babies

To some companies, on the other hand, the war brought opportunity, and the new conditions made possible the rise to leadership of several new groups. Of these the munition stocks will at once suggest themselves; for a time every steel or railway equipment company that turned from its regular business to make munitions qualified as a possible market leader—although the results were not always equal to the excited expectations of the market. The rise of Canada Cement (not the present stock) from 28 in August, 1915, to 73 in June, 1916, or of Nova Scotia Steel and Coal from 45¾ in March, 1915, to 132½ in May, 1916, may serve as illustrations. Neither stock was outstanding in 1912. Steel of Canada and Dominion Bridge were both conspicuous in this group.

Other groups also came to the front as war conditions brought new profits. Shipping (Canada Steamship Lines common rose from 6⅛ in April, 1915 to 44¾ in December, 1916), nickel, copper, zinc and other base metals (gold mines were handicapped by rising costs of labor and materials while the nominal price of gold remained stationary, as always), oil (International Petroleum listed in February, 1915, rose from $5.25 to a high of $14.15 in the same year) bacon, sugar were all in demand.

Rise of Paper Stocks

Pulp and paper stocks provided one of the most notable features of the war boom, partly on account of the tremendous American demand for paper, partly because the scarcity of shipping and other factors shut out European competition. Several paper stocks rose spectacularly in 1916—among them Riordon (from 59 to 150); again in the post-war boom several paper stocks rose to new heights in 1920 (Abitibi among them and Riordon to a further eminence) only to descend disastrously in the deflation of 1921.

The post-war demand for sugar helped to send Atlantic Sugar from 20 in March, 1919, to 164 in July, 1920—to be followed by a deflation as rapid when governmental control of sugar suddenly ceased. The milling and textile groups also shared to some extent both in the war market and in the post-war boom. The chief power stocks, Montreal Light, Heat and Power and Shawinigan, though fairly active in this period were relatively stable; while Brazilian reflected difficulties of Brazilian exchange rather more than the very real progress of the corporations.

Falling By Wayside

If in 1922 toward the close of the period of deflation which followed shortly after the war, an attempt had been made to select the leaders of the next bull market (which may be considered as extending from the close of 1922 to September, 1929 with a very minor interruption in 1924), would it have been wise to choose the outstanding stocks—then deflated—of the previous bull market? Not in all cases, certainly. For example, if Atlantic Sugar or Canada Steamship lines had been chosen, it would have meant a very long wait. Riordon would have been an even worse choice. It became overextended and went into liquidation. Some of the pulp and paper leaders came back in time to share in the next upturn but only after a long and tedious struggle. Many of the munition stocks found readjustment difficult, and the ensuing period was a severe test of the resourcefulness of the management of individual companies. Some emerged brilliantly. Others fell by the wayside.

Peak of 1929 Boom

A glance at the peak of the market in 1928-1929 may be interesting. One of the most striking features of this market was its breadth. While many of the old groups with some of the old favorites came once more to the front, there were several new groups as well as new listings among the old. The base metals returned to favor led by International Nickel and Smelters and by a newcomer, Noranda. Steel of Canada and Dominion Bridge shone once more among the steels and Page Hersey- a new leader- joined them. Besco, the representative of two of the most prominent of the old leaders, proved disappointing while Lyall flared up only to sink out of sight. The old leaders of the power stocks, Montreal Light, Heat and Power and Shawinigan, were among the first to recover. Brazilian also shared conspicuously in the upturn. B.C. Power and Power Corporation were added to the group in time to participate in the movement. The Railway equipments, again headed by Canadian Car and Foundry, played their part. Beverages both mild and potent, appeared among the newer favorites. The oils, led by Imperial Oil and British American and followed by International Petroleum and the minor oils, shared fully in the movement. The agricultural implements, piloted by Massey-Harris (which in 1928 rose from 37 in February to 97 in November), joined the leaders. Grocery chains were represented by Dominion Stores and Loblaw's. Ford of Canada and Goodyear tire led among the motors and accessories. Ogilvie and Maple Leaf were prominent among the milling stocks. C.P.R. was relatively inactive, although it made a considerable recovery from its previous low. Famous Players came to represent a new industry. Among all these leaders, new and old, were a host of minor stocks, which had their share of sunshine and played their part in the great bull market.

No Break With Past

Which of these many leaders of the past can be counted on to lead again when the painful process of readjustment is once more complete? Or will new conditions bring forth an entirely new set of leaders?

The outlines of the preceding bull markets suggest an answer. The break with the past is never complete. Many industrial needs remain the same, so that while some new leaders will doubtless come to the front as new industries develop, some of the old are certain to hold their places near the head of the industrial procession. The retrospect also suggests tests to determine which of the past leaders may be expected to remain in the van besides supplying examples of failure.

A first criterion is the record of the past. Has the corporation in question a long history of solid achievement, of difficulties surmounted and successes obtained? Has its management shown resourcefulness and skill in meeting new conditions? If so, that is one of the best auguries for success in facing the problems of the next period.

Another important factor is liquidity. Is there sufficient capital to tide over a period of dullness or are there any signs of overextension?

The question of markets should be considered. Is there likely to be a steady demand for the company's products at fair prices? Is there danger of cut-throat competition?

Again, is an adequate supply of raw material readily available?

Another question of importance—witness the history of Atlantic Sugar, of the liquor stocks, of the textiles, of the railways. "Is the company in danger of governmental interference or is it in any way dependent on political favor (e.g. from the tariff)?" In that case, of course, there will be a more or less unstable factor difficult to estimate. If the most prominent examples of failure to recover after 1914 or 1920 are examined, it will be found that one or more of these tests could not be met.

Other considerations might be added but they all seem to resolve themselves into this: Is such and such a corporation likely to improve its position and increase its profits? The purpose of this series of articles is to examine some of the candidates for leadership in the next rising market in the light of these tests. No doubt the available data will often be insufficient; but in many cases there should be evidence enough to furnish conclusions at least strongly probable; and the mere effort of applying the tests should throw light on the current situation of some potential leaders.

BRANDRAM PAINT MAKES HEADWAY FIRST HALF YEAR

Some Improvement Noted as Regular Dividend Declared

From Our Own Correspondent

MONTREAL.—Brandram-Henderson Ltd. has declared its regular quarterly dividend of half of one per cent on the common stock, payable August 1 to holders of record July 2. Payment of this disbursement indicates some improvement in the company's activities since it was pointed out earlier in the year that continuance of common dividends was dependent on an improvement in business conditions.

Earnings of Brandram-Henderson showed a sharp reduction last year, totalling $66,299 as compared with $245,477 in 1929. After depreciation bond interest and a reserve on white lead sales, there remained a deficit of $25,074.

Holds Substantial Balance

Preferred dividends require $35,000 annually, while common dividends at the rate of 2 per cent absorb $23,598. Consequently the company was forced to encroach on surplus to the extent of $87,672 leaving a balance of $900,279 brought forward into the current year.

Brandram-Henderson Ltd., in common with other paint manufacturers, has raised its price to the wholesaler by 10 cents a gallon, a reflection of the 3 per cent which has been added to the sales tax.

The company is one of the largest paint makers in the Dominion. Investment interest in its securities, however, is limited and shares are closely held. The stock has never been listed for trading.

SAY BEAUHARNOIS DESIGNED TO TAKE TOTAL RIVER FLOW

Frank Admissions Made Before Investigating Committee

From Our Own Correspondent

MONTREAL.—An opinion that the canal of Beauharnois Power Corp. has been designed with an ultimate view of obtaining the whole flow of the St. Lawrence River has been elicited from witnesses examined before the committee formed to investigate the Gardiner charges against the company.

R. A. C. Henry, vice-president and general manager of Beauharnois Power Corp., admitted that the south bank of the canal had been placed in such a position in the hope of obtaining the whole flow of the river while Kenneth M. Cameron, chief engineer of the Department of Public Works, stated that he never had any doubt in his mind that the company planned to exploit the whole flow.

Sought to Explain Width

The latter statement was made in reply to a question which sought an explanation for the width between the two embankments, some 4,800 ft., at the canal site. Mr. Cameron said that the order-in-council provided that the channel was to be 600 ft. wide at the bottom and 27 ft. deep. He pointed out that the channel itself was not being dug 4,800 ft. wide, though the banks of the dyke on natural ground were that far apart.

Mr. Henry stated that the canal was wide enough ultimately to take the economic flow of the river. To take the whole flow the canal, he said, would have to be deeper than 27 ft. Existing contract commitments only required 15,000 cubic ft. of water a second, he stated, and it would be some time before these commitments would make the company require more than the 53,000 c.f.s. to which it presently has the right.

Beauharnois Power Corp. was originally granted the right to divert 40,000 c.f.s. from the St. Lawrence. In 1929 the company leased the water rights of Montreal Cottons at Valleyfield obtaining thereby an additional 14,000 c.f.s.

The Quebec legislature early this year granted the corporation the right to increase its original grant by another 30,000 c.f.s., but approval of the Federal Government has not yet been obtained.

The total flow of the river is about 210,000 c.f.s.

NATION'S BUSINESS

(Continued from page 1)

great and the cost would be no greater than the losses and delays they will suffer in any event.

* * *

Irvin S. Cobb Raises a Laugh

IN AN interview in Montreal, Irvin S. Cobb, an American writer, suggests that the proposed tax on American magazines may close various American branch factories in Canada. His argument is that these factories find a good market in Canada because of the advertising appearing in the American magazines that are sold to Canadians. Shut off this advertising and you close the branches, Mr. Cobb avers.

Mr. Cobb is well known as the author of "A Laugh a Day" and he may have been wishing, in Montreal, to restore his one-time reputation as a wit. Unfortunately, however, Mr. Cobb's remarks were prominently displayed and he was taken seriously in some circles where there was more desire to attack the prime minister than to be thoroughly fair to Canadian enterprise. His allegation that Canadian branch plants of American concerns sell their merchandise through over-flow advertising in American magazines was broadcast by some newspapers that in their saner moments present their own claims to recognition as useful media for the advertising of Canadian products, whether these products are made in Canadian-owned or American-owned plants.

* * *

AMERICAN manufacturers set up branch factories in Canada for many reasons. The chief impelling factor is their desire to sell in the Canadian market. If the Canadian market is profitable these plants will stay here. And in testing out the Canadian market they do not rely upon advertising in United States periodicals. They advertise to Canadians in Canadian periodicals. They always have done so and the Bennett tariff on American magazines does not alter the truth that to advertise to Canadians, Canadian media must be used.

Mr. Cobb apparently does not realize it but the net result of the two Bennett tariffs is to increase the number of American branch plants in Canada and thus to increase the number of American firms advertising in Canada.

* * *

Weaknesses Revealed in Combines Act

SEVERAL questions are raised by the report on the American-controlled movie combine in Canada. In the first place, it should be recognized that no legislation exists that can authorize any government in Canada to dissolve the Famous Players Corporation, as the Standard Oil companies were dissolved in the United States. Mere size or dominance of control is no crime in Canada. It is only when policies are adopted injurious to the public interest that action can be taken and such action must take the form of criminal prosecution of the individuals concerned. The report thus offers no hope that control of the motion picture industry in Canada will be diffused in any considerable degree or that control of the largest group of companies will come to Canada.

* * *

THE report makes it clear that at various times in its career the Famous Players group have managed their affairs in a manner injurious to independent exhibitors. This may have hurt the independents but the extent to which it has hurt the public generally is a matter of opinion. But it is known that Famous Players, under its new management, has abolished many of its former practices and it is to be hoped that, with a board of directors that has recently been strengthened by the addition of two such good public relations experts as R. S. McLaughlin and Victor Ross, the remaining vestiges of Vanderbiltian tactics will disappear. It is no longer profitable in business to ride rough-shod over smaller competitors and Famous Players should and possibly now does recognize this.

* * *

WHILE the interests of former Canadian shareholders in Famous Players Canadian Corporation were not considered by Commissioner White to be within the scope of his investigation he makes a detour to hint that these shareholders were not squarely treated in the stock offering made to them and the subsequent conversion of over 90 per cent of the stock into shares of Paramount Publix. This confirms the stand taken by The Financial Post at the time of the merger with Paramount Publix. The unfavorable publicity now given the transaction should be a warning to investment bankers. It was scandalous that in one year Canadian investors should have been offered voting trust certificates in Famous Players on the pretence of bringing control of the company to Canada and a year later have been practically forced to sell out to the American company, that was, in any event, in control thoroughout the whole proceedings.

* * *

TO BUSINESS as a whole, the investigation is of interest as revealing one weakness of our combines legislation, which is otherwise excellent. There is too great a lag between the institution of an enquiry and the final results. Several months were spent in a preliminary investigation of Famous Players by Prof. K. W. Taylor. After a further delay the public enquiry by Peter White, K.C., was undertaken. The enquiry served to put the film companies of Canada on trial before the court of public opinion but not with an impartial judge sitting on the bench. Rather, the whole proceedings were conducted by an inquisitor, virtually a public prosecutor. All that has resulted to date is a report that for all the public knows, may be thoroughly unfair. Except to the extent that the parties named mend their ways voluntarily, it cannot be translated into finality without criminal prosecution where a fair trial can be given to the charges made. These three steps in the process are too many; they take too long and they tend to bring about a final judgment in the public mind before the whole story has been told.

The government should consider whether or not the public investigation should not be eliminated. If the preliminary and private enquiry reveals prima facie evidence of the existence of a combine, criminal action should be initiated without further delay and without the public enquiry that is very apt—unless the investigating commissioner is carefully selected—to be turned into a job of muckraking in public.

Hawkesbury Silk Mill Start Operations Soon

From Our Own Correspondent

MONTREAL—Machinery is now installed at the new mill of the B. Edmund David Silk Mills of Canada and operations will commence shortly. The mill, located in Hawkesbury, will have an output of Jacquard silks and silk mixtures.

The unit will not only weave but will also take care of all preliminary processes such as throwing and card cutting. When running full the plant will employ about 100 people.

Wilson Box and Lumber Opens Addition to Plant

From Our Own Correspondent

MONTREAL—The Wilson Box and Lumber Co., operating a wooden box mill at Fairville, N.B., has commenced production of paper boxes. Installation of necessary equipment has been proceeding for the past six months and is now in operation.

It is reported that the company is the first wooden box firm to extend its output to include production of paper boxes.

C. P. P. A. Woodlands Section Hold Summer Meet at Anglo

From Our Own Correspondent

MONTREAL—Summer meeting of the Woodlands section of the Canadian Pulp and Paper Association will be held on July 24 and 25 next. It is proposed to visit the Montmorency limits of Anglo-Canadian Pulp and Paper Mills and to inspect woods operations.

Chutes and flumes will be investigated and demonstrations of new logging machinery will be given.

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CREDITS CORP. NOT FAVORED BY LOAN CO'S

Insurance and Loan Men Hold Purchase of Its Shares Unsound

SPECIAL ACT NEEDED

Otherwise Capital Stock of Dom. Agricultural Credit Co. is Not Legal Use of Funds

Canadian life insurance and trust and loan companies are not at all favorable to the Beatty plan for aiding Canadian farmers by a revolving loan fund, according to information given The Financial Post this week. Life insurance companies it is understood had been asked to subscribe $1,000,000 to the fund but, according to one executive, it is doubtful if $500,000 will be raised. If it is, it is said that it will only be through one of the larger companies taking a substantial share of this itself.

Objection to the Dominion Agricultural Credits Corporation, which is the name for the new company now in process of formation, is twofold. On the one hand there is objection to the principle of making this type of investment a legal one merely by act of parliament and, secondly, many companies are inclined to feel that they have been in this very business themselves for many years now and probably are better equipped to handle the job this company sets out to do, than it will be for many years to come.

Investments Carefully Guarded

The chief stumbling block is probably the former of these two objections. At present investments of life insurance and trust and loan corporations are very carefully prescribed by federal or provincial statute and great care is exercised to ensure that such investments are in nothing but the very best type of security. An investment of $1,000,000 in such a company as the Agricultural Credit Corporation would be entirely illegal if it were not legalized by a special act of Parliament and the companies feel that such a procedure is a vicious one, since they believe there is little prospect of ever getting their principal returned to them intact once the company starts operating.

Capital stock of the Dominion Agricultural Credit Co. is $5,000,000 and, according to a report made by Mr. Beatty a few weeks ago, half of this amount is already subscribed and the remainder will be available when legislation legalizing the investment by banks, loan, trust and insurance companies, in its capital, is passed by Parliament.

In Ontario, legislation to this effect has already been passed, the bill having been sponsored by Hon. Premier George S. Henry. Provisions of this bill are as follows:

"Notwithstanding anything contained in the Insurance Act, the Loan and Trust Corporations Act or any other Act, an insurance company, a trust company, a loan corporation or a loaning land corporation, subject to the jurisdiction of the Legislature of Ontario, shall have power to acquire, hold and dispose of shares of the capital stock of Dominion Agricultural Credit Co. Ltd."

Long Battle Reciprocity Seen Ended

Reciprocal legislation between Ontario and Quebec in regard to succession duties may shortly be put into effect according to information received by The Financial Post. Succession duty officials of the Ontario government decline to comment but it is believed that in a very short time this goal, which has been sought for the past five or ten years, will at last be achieved.

Millions of dollars of investments would be affected if such legislation were introduced, since at the present time, when an individual holding investments in Quebec companies, dies in Ontario, such investments are taxed by both provinces, Quebec charging succession duties on securities whose head office is in that province, and Ontario taxing the estate because it belonged to a resident of the province.

Ontario has at the present time the widest reciprocal arrangements followed closely by British Columbia. Manitoba has no formal arrangements but in practice allows deductions where taxes are paid elsewhere. As early as 1925 agitation arose for elimination of double succession duties, a special report of the legislation committee of the Canadian Manufacturers Association reporting in that year that "Quebec has not up to the present agreed to reciprocate in this matter with any other province, but it is hoped that negotiations between Ontario and Quebec with regard to double taxation on successions will be shortly concluded by a satisfactory agreement."

MERCURY'S HOLDERS DEMAND STOCK AUDIT

Committee Appointed to Report on Loss on Investments

About 145 shareholders of Mercury Oils, Ltd., representing 300,000 shares, met in Vancouver June 19, and passed the following resolution:

"That an audit and investigation be made into the balance sheet and affairs of the Mercury Oils Co., having particular reference to items: 'stock in other companies at cost, $401,527,' and 'loss on investments, $129,212,' and that a committee be appointed to take the matter up with the directors."

It was explained at the meeting that the main object of the resolution was to get more detailed information in regard to the purchase, sale and losses incurred in connection with shares held in the Home Oil and Mayland Oil companies.

Apple Prices Remain Steady

A report issued by the fruit branch of the Department of Agriculture, on the apple crop of Canada notes that while the price of many agricultural products have declined, in recent months, the apple stands out as having maintained a firm price level, in spite of adverse conditions.

Canada Power

Final Date for Proxy Deposits Approaches—Investors Urged to Act

Time for deposit of securities under the Security Holders' Protective Committee's Plan for the reorganization of Canada Power and Paper Co. expires on the 15th of this month. Response to the plan has been satisfactory to date, but it is doubtful if a majority of the different securities will be deposited in time to enable the committee to declare the plan in effect.

There has, of late, been a tendency among dissatisfied security holders to condemn the committee for the manner in which it proposes to cut the old capital and allocate the securities of the new company. The fact that security holders of all companies complain of the severity of the cut, is an assurance that the committee has not been prone to favor this or that subsidiary.

Committee Makes Serious Effort

The Financial Post holds no brief for the committee. It feels, however, that the sponsors of the plan have earnestly striven to save the company the necessity of going through the bankruptcy courts and at the same time, bring about a strengthening of the industry as a whole through the rehabilitation of the largest newsprint producer. In this work the committee has devoted its best efforts and whether or not one is in accord, the investing public should give credit to this body of men in working out a plan uninfluenced by ulterior motives.

It comes as a shock to many investors in Canada Power and Paper securities to find that an independent body places a small valuation upon their securities—securities for which they paid par or better not long ago. While this is an unfortunate state of affairs, it should not be held against the committee, as some dissatisfied security holders would have it. Any grievance along those lines should be directed against the promoters of the company and the old management and not against the committee, whose sole aim is to prevent a complete collapse of the organization which, in turn, would mean even heavier monetary loss.

Now Headed For Bankruptcy

As the situation now stands, Canada Power and Paper holds valuable newsprint contracts, but it is heavily indebted to the banks, operations have been reduced to less than two-thirds capacity, and earnings are insufficient to meet fixed charges. Obviously the company cannot continue along this path without ending up in bankruptcy. There remains one alternative, namely, to reduce capital obligations in line with earning power.

It is along these lines that the Security Holders' Protective Committee worked. It is a plan of compromise. Losses will have to be taken here and there, and unless the security holders are willing to accept this compromise, it is the well-founded opinion that the damage will be far greater if affairs are allowed to run along as at present, while the effect on the industry's credit will be a heavy blow to Canadian industry as a whole.

Can Re-establish Itself

With the virtual elimination of capital charges over a period of five years, Canada Power should be able to re-establish itself financially. Meanwhile the increased earning power created through the working of the Hearst newsprint contract, assures the new company a definite and substantial earning power which is now lacking.

Further it is apparent to those who have studied the situation that as independent units, the companies making up Canada Power and Paper have little hope of surviving. In the first place they lack working capital. Few security holders would be willing to put up more money, nor could aid be expected from the banks. The woodpile belongs to the banks, and, individual companies have no contracts for paper, or are they likely to secure any under present conditions.

Might Lead to Calamity

The breaking up of Canada Power would be a great calamity. Contracts now held by the company become void in the event of liquidation. These contracts are of value at present and of even greater value when they come into full force some two or three years away. To nullify these contracts at present would most likely bring about serious price cutting among the producers in order to secure the business. The result would be detrimental to the industry, which is now in no position to withstand price cutting and its attendant evils.

The need is apparent for compromise on the part of the Canada Power security holders. Attempts are being made to induce the committee to make changes in the plan for the benefit of certain security holders. As the situation now stands, there is no intention of making any change. All the security holders are asked to accept the compromise and in that direction lies the salvation of the organization.

Management is All-important

The principal objection to the committee plan to date, is the lack of details in respect to management. Any success the new company may have depends primarily upon the adoption of constructive policies and the appointment of a capable management. In the past too little thought has been given to the all-important matter of management. At this time, no matter is more pertinent to the future welfare of the company. The security holder who has held back from depositing his securities, awaiting more definite word on management, cannot be blamed for his course of action.

Why has not the committee announced its appointees to the new board of directors? There are several reasons why such action has not been taken. In the first place the man of the calibre wanted for the task will not associate his name with the enterprise, until he is assured that the plan meets with the approval of a majority of the security holders. When there are indications that the plan will meet with approval, the committee says that it will be in a position to name its nominees.

Can Nominate Board Majority

The thought has been expressed that the new broom will not sweep clean. In all fairness to the committee, it should be known that it has only the power to appoint 7 out of the 11 directors and not the full board. These 7 men will be appointed for a period of 5 years, and the other 4 will be elected annually by the new common shareholders. The policy of the new company, together with its management, should be controlled by this majority.

Hon. Charles Dunning, chairman of the committee, has publicly stated his opinion and the views of his confrères on the new board. It is to the effect that new interests will be on the directorate. The assurance given should be satisfactory to all concerned. There is no guarantee of any sort, and the security holder will have to rely upon the integrity of the committee in seeing that a capable and efficient management is placed in charge of the new company.

Responsibility to Security Holders

The committee does not assume any responsibility in respect to the reorganization, but it does assume a responsibility in its relation to the security holders in seeing that the management and policies of the new company are in conformity with the majority view—which does not leave any room for uncertainty.

With those conditions fulfilled, there is reason for believing that the rehabilitated Canada Power will gradually build for itself a strong financial structure and, in turn, help restore to prosperity one of Canada's largest industries.

Time For Definite Action

In the meantime security holders are faced with this situation: if they do not believe they are being treated fairly under the plan, they do not have to accept it. Before taking such a step they should fully realize that if another plan is not forthcoming promptly, the bondholders will shortly be in a position to step in and take over their own properties. In such an event the junior security holders would probably be far worse off than under the plan, while the bondholders might experience difficulty in realizing upon their security.

As the situation now stands, the committee offers one way out of the entanglement. The principal flaw in its scheme is the lack of information on management. If the security holders have faith in the integrity of the committee, they may decide to overlook this point.

Gem Lake Mines Opens New Levels

Gem Lake Mines has a crew of 32 men at its property and is deepening its shaft from the 500 ft. to the 625 ft. and possibly to the 750 ft. horizon.

A raise is being put from the 500 ft. level and four diamond drill holes have been put out from the end of the crosscut on that level under Kickley Lake.

When a station has been cut at the 625 ft. level drifting will be started and ore blocked out.

IMPERIAL OIL PLANS NEW REFINING UNIT TO MAKE BETTER GAS

(Continued from page 1)

much smaller capital investment and at smaller manufacturing cost.

Business is Down

Sales of Imperial Oil products continue to show declines from 1930 levels. Western business in particular is down considerably and collections in that area are very slow.

Company has greatly cut its production in Turner Valley oil field. Output of high naphtha content gas from that field exceeds the possible demand in the area within which it can profitably be sold and Imperial Oil believes it best to conserve the naphtha supply for future use instead of wasting it. Independent operators are in some cases continuing to produce but are receiving distress prices for their output.

Imperial Oil Limited has invested about $3,500,000 in Alberta oil.

While total gasoline and oil sales are below last year they would have been much lower had there been no additional protection granted the Canadian refining industry. Many distributing companies, who had been importing their supplies from distress areas in the United States, have recently been buying at wholesale from Imperial Oil. Some cheap gasoline continues to enter Canada but the total quantity is greatly reduced.

To aid the Western farmer the company recently reduced motor oil prices in Western Canada making it economical for farmers to keep their tractors in operation. Gasoline prices were, of course, reduced some months ago all over Canada.

Price wars in gasoline continue in some centres in Canada but are highly localized. Price wars are not profitable on the margin at which gasoline is now being sold and most distributors are selling at the prices posted by Imperial Oil at their retail stations.

MILLERS FIGHT EXPORT MART DIFFICULTIES

(Continued from page 1)

provement over last year. The annual reports covering operations ended August 31, 1930, were poor in comparison with those of the previous year, which had been a record, but the companies had had to face exceptional conditions.

In that period wheat markets had recorded one of the wildest breaks in history, Russian competition was beginning to make itself felt for the first time in many years and exports had dropped to a low point.

There has been some improvement in exports during the current year but it has not been sufficient to allow the mills to operate at anything like capacity. Domestic consumption, of which the millers have assured themselves a large proportion through expansion into the baking field, has been fairly satisfactory. This market, however, is not a large enough factor to influence the ultimate situation surrounding the industry.

The future of milling in Canada then must depend on an improvement in the export market or a reorganization within the industry itself. Though negotiations with a view to some co-ordination of effort have proved abortive to date there is a growing belief that eventually some definite action will be taken.

See Co-operation Inevitable

What form this co-operation between millers will take and whether it is the best solution to the existing impasse remains to be seen. There is a strong trace of individualism in the leading milling companies and it is easily seen that a merger idea might prove distasteful.

The opinion of those who are acquainted with the situation is that a continuation of the present state of affairs must inevitably lead to a change in the existing set up. Idle plants, onerous competition, the endless struggle for orders for export and the small margin of profit obtaining constitute a problem to which there is no immediate solution apparent.

EAST GEDULD MAY EARN 10c A SHARE FOR DOME

(Continued from page 1)

£1,800,000 in £1 par value, all of which will be outstanding when the property is in production. It is estimated that close to £1,000,000 will be required to erect the plant and complete the development necessary for production. It is also regarded as probable that a temporary loan will have to be made to provide further funds in excess of capital subscribed, so that it can carry on developments beyond immediate requirements at this time while labor costs are low. This loan, however, will it is hoped be repaid by profits from operations this year.

The company's property consists of 2,641 mining claims of approximately 6,000 acres in the Far East Rand section of the Witwatersrand area, in the Union of South Africa, leased from the Union Government. As is common, taxes on profits are levied after all operating costs and write-offs for depreciation and depletion have been made. This levy ranges on a rising percentage, based on the relation of actual profits to recovery made. That is if 10 per cent or 70 cents per ton profit was made from $7 per ton ore, the Government would get 10 per cent of this, or 7 cents per ton. If 60 per cent profit was made from $7 per ton recovery, or $4.20 per ton profit, the Government would get $1.26 or 40 per cent of this amount. Should the Government decide to increase the income tax, the mining tax levied would be equalized downward so that the combined tax would not be in excess of the present income tax of 15 per cent. The East Geduld is one of the few properties in the area that enjoys this equalizing feature.

Higher Values Reached

Development of the property, approached from the lower levels of the Geduld Proprietary, has opened up the northern fringe of the property and developed ore estimated at 3,900,000 tons, assaying approximately $7 per ton over 58 inches width. For production operations the company has just completed a shaft to the reef which was reached at a depth of 2,834 ft. At the point where the reef is reached values considerably in excess of the mine average were encountered. Indications are that mill heads will be somewhat higher under actual operations than in the official estimates of ore developed. The reef is dipping southward from its northern boundary, where it was developed by the Geduld Proprietary, and as greater depth is reached values increase.

Mines in the area have an abundance of water and East Geduld is no exception. From an initial flow of approximately 2,000,000 gallons daily the flow has receded to approximately 1,000,000 gallons daily. This represents but little liability since otherwise water for milling operations would have to be purchased.

May Double Plant

A new 2,000-ton daily capacity mill is nearing completion and will go into operation this month. Provision has been made, however, for doubling this mill capacity if ore reserves continue to surpass expectations. The power for operation is purchased from a steam power plant at a rate comparing favorably with that now paid in the Porcupine area.

While actual operating costs have not yet been demonstrated, no reason is seen for them not being lower than the adjoining Geduld Proprietary Mine, where the current operating costs are the equivalent of $4 per ton. Thus with $7 recovery a gross operating profit of about $3 per ton is seen. Indicates are that anticipated profits will be realized since E. P. Cowles, a McGill University graduate, and former manager of the Modder Deep also the Geduld Proprietary mines, is to be in charge of operations.

Rumors of further investments in South Africa by Dome Mines lack official confirmation. But it is regarded as probable that if an investment of the same potentialities as the one made were offered, it would be given favorable consideration.

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MONTREAL LONDON HAMILTON OTTAWA WINNIPEG

Another Investor Wants to Know Profits of C. P. & P. Promoters

Editor, The Financial Post.

I have read, with much interest, the letter which appeared in your issue of 25th June, signed by "A Reader."

It is a fact, as stated in his letter, that no newspaper, or financial newspaper, or financial advocate, has, for reasons entirely its own, seen fit to place before the public all the facts relating to the Canada Power and Paper Company and its formation. As you are aware, the Securities Protective Committee of Canada Power and Paper Corporation have suggested a method of re-organizing the Canada Power and Paper Corporation, but the public wish to know the facts relating to Canada Power and Paper Corporation before they agree to this re-organization scheme. What the public would wish to know are facts such as these, viz.:—

1. Why was the Canada Power and Paper Corporation ever incorporated at all?
2. Who were the parties behind the incorporation?
3. Had the promoters who incorporated Canada Power and Paper Company the interests of themselves at heart, or the shareholders and bondholders of Canada Power and Paper Company and its subsidiaries?
4. What did the incorporators of Canada Power and Paper Company hope to obtain by the formation of this company?
5. What money did the promoters of Canada Power and Paper Corporation make to themselves, and who were the promoters, or those who benefitted as a result of the incorporation of Canada Power and Paper Company?
6. The shareholders and bond holders of Canada Power and Paper Company and its subsidiaries are asked to make sacrifices under the scheme of re-organization. Are the promoters, or those who benefitted by the incorporation of Canada Power and Paper Company, prepared to return to the coffers of the company all, or any, of the money they received as a result of the incorporation of Canada Power and Paper Company?

I am satisfied that the shareholders and bond holders of Canada Power and Paper Company and its subsidiaries will not acquiesce in the proposed scheme of re-organization until all the facts of Canada Power and Paper Corporation are disclosed and the sooner all the facts come out into the open, the sooner the scheme of re-organization will have an opportunity to mature.

What has happened with regard to the bonds of some of the subsidiary companies leads one to believe that there is not the security behind bonds which some people think. I am satisfied that if the financial wizards of the east wish to, it is always in their power to swing the company about in any direction they wish. I am a holder of Belgo-Canadian Bonds and Anticosti bonds, and I am satisfied that if the Belgo-Canadian Paper Company had been left alone, it would have been operating successfully today. When the bonds of the Anticosti Paper Company were put upon the market the purchasers of these bonds were given the guarantee that St. Maurice, Port Alfred and Wayagamack would purchase sufficient lumber from the Anticosti Company to always secure the payment of the interest on Anticosti bonds. This has all now gone to the winds, under the proposed re-organization of Canada Power and Paper Company. The whole business is a disgraceful and disgusting piece of financing, and although the promoters and the bond houses which sold the bonds would attempt to tell you that the financial position of Canada Power and Paper Company today is due to business depression, I am quite satisfied that they do not believe that themselves. So far as I am concerned, I am not gulled with any talk of this kind.

I received a circular from a bond house the other day, referring me to the scheme of re-organization proposed by the Securities Protective Committee of Canada Power and Paper Company, and advising that I should acquiesce in it, but having taken their advice on previous occasions, with regard to the purchase of Belgo-Canadian bonds and Anticosti bonds, it naturally follows that I am not accepting their advice any further. No doubt the parties interested in the formation of Canada Power and Paper Company will be highly delighted if the scheme of re-organization goes through, and this matter quietly smoothed over, but I am satisfied that the end of this horrible business has not been reached.

I hope that you will publish this letter in your next issue of your newspaper, and I also express the hope that some other investors in Canada Power and Paper Company and its subsidiaries will express their views.

LEX.

Calgary,
June 30, 1931.

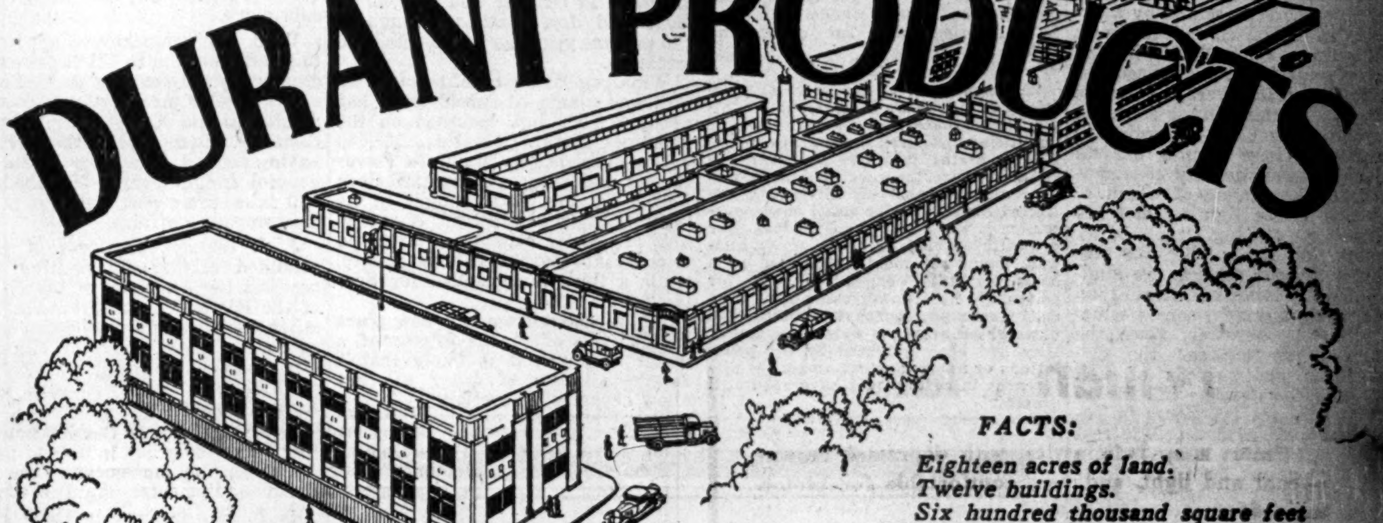
Laurentide Management

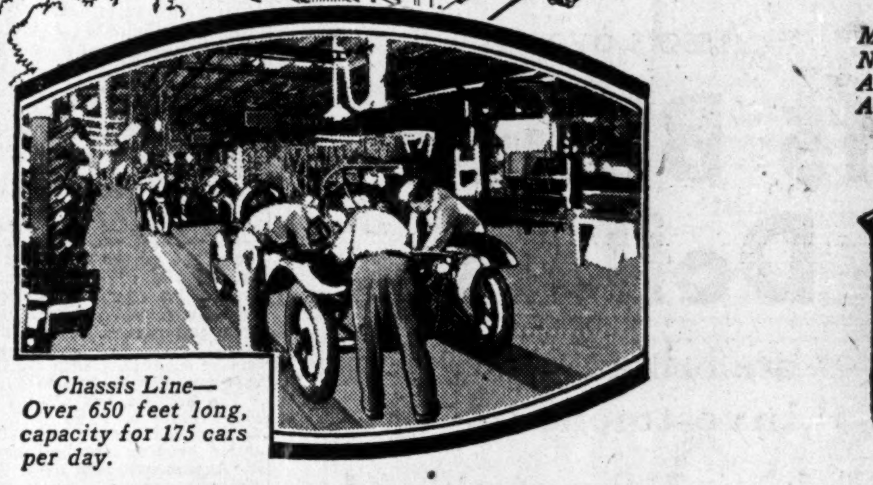
In a recent article in The Financial Post, your eastern correspondent remarked that the holders of Laurentide debentures had every reason to enquire into the past management of Canada Power & Paper Corporation. I beg to draw your attention to the fact that Geo. Chahoon, former president of the Laurentide Company was also the first president of Canada Power & Paper Corporation, and J. O. Mason, former operating manager of the Laurentide Company, became operating manager of Canada Power & Paper Corporation (which position he still holds), and so on. If you will take the trouble to look into the matter, you will find that Canada Power & Paper Corpn. has been managed almost entirely by former officials of the Laurentide Company, from the heads of Departments up.

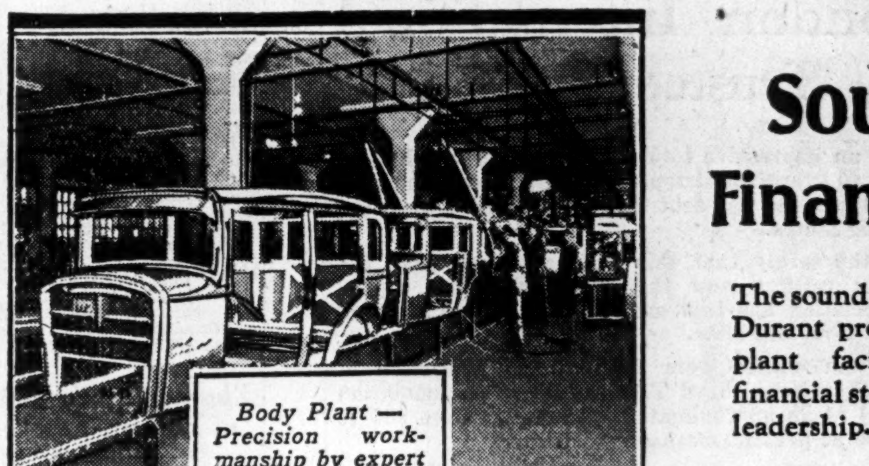
MONTREALER.

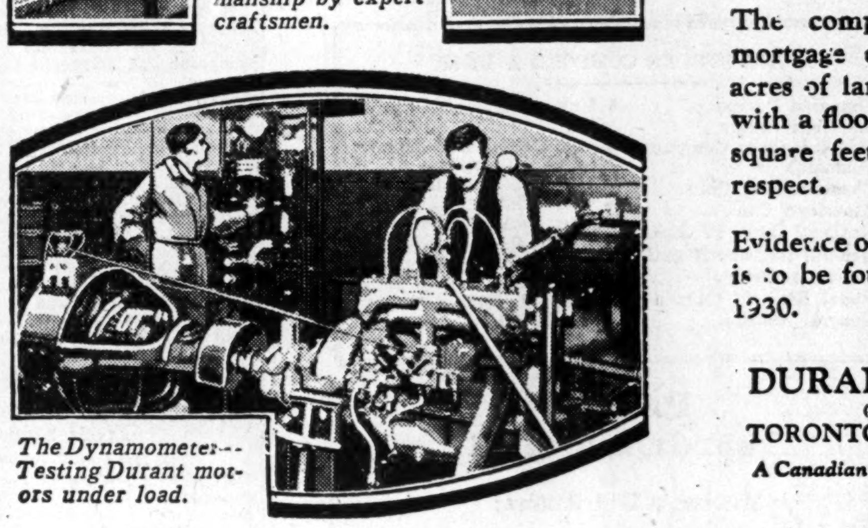
Montreal,
July 4, 1931.

RESOURCES BEHIND DURANT PRODUCTS




Chassis Line—Over 650 feet long, capacity for 175 cars per day.


Body Plant — Precision workmanship by expert craftsmen.


The Dynamometer—Testing Durant motors under load.

FACTS:
Eighteen acres of land.
Twelve buildings.
Six hundred thousand square feet of floor space.
Modern machinery.
No mortgages or encumbrances.
Ample cash resources.
A nation-wide dealer organization.

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Financial Stability

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Evidence of the company's financial position is to be found in the annual statement for 1930.

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(Division Dominion Motors, Limited)
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DURANT and RUGBY
MOTOR CARS TRUCKS

Utilities and Transportation

ELECTRICITY COSTS LOWER IN CANADA THAN IN STATES

Average Bills For All Purposes Lower in Ontario Than Quebec

SURVEY COVERS 1930

Wide Disparity Between Costs in Various Canadian Cities Noted—Comparisons Difficult

Cost of electricity for domestic use in Canada is approximately one-half, and for small power customers about four-fifths of the cost in the United States, while power to large consumers is approximately one-third of the average U. S. A. cost, according to comparisons made by the public utilities branch of the Dominion Bureau of Statistics at Ottawa.

This comparison was compiled from a study of electricity costs in Montreal, Toronto and Winnipeg with costs for similar services and quantities in 15 large cities in the United States, though it is pointed out that with regard to power to large consumers the costs become complicated by load factors, power factors, quantities, and so forth. So that, while the average revenue per kilowatt-hour for the entire output of central electric stations in 1929 was higher in the U. S., it is quite possible, says the report, that costs to some classes of customers were on an even footing with, and other classes even lower than, in Canada.

Wide Range of Rates

Comparison of average monthly bills for domestic lighting and cooking in 1930 in the different provinces shows that the amount of these is generally lowest in Ontario, ranging from $2.97 in Ottawa to $7.89 in North Bay, the mean being $4.78. In Quebec the amounts vary more considerably in the different centres, ranging from $6.63 in Verdun to $12.60 in St. Hyacinthe. Chicoutimi alone stands above this figure at $24. The mean for the province, omitting Chicoutimi, is $8.20. Costs in the Western provinces are hardly comparable excepting perhaps as represented by average bills in capital cities, the figure for Winnipeg being $5.34, Regina $5.85, Calgary $5.56, and Vancouver $7. In Montreal the average domestic lighting and cooking bill is $8, while in Toronto it is $3.78, according to the survey. These figures are all based on a total monthly consumption of 300 k.w. hours of which 80 k.w. hours is for lighting and 220 k.w. hours for cooking.

Commercial light bills, for unrestricted 24-hour service, are similarly generally lower in Ontario than Quebec. Direct comparison is somewhat difficult, however, since the scales vary as between the different loads and periods of use. Thus, while the average bill for 10 kilowatts used for 100 hours in Toronto is $30.60 and in Montreal $[illegible]0.15, for 200 hours it is $43.20 in Toronto as against $60.15 in Montreal. For smaller consumers, however, the average bill is lower in Montreal than Toronto. Orillia shows the lowest average bills for small and large consumers alike, followed by Brantford, Hamilton and St. Catharines, while several other Ontario cities are lower than Montreal and Outremont, the two lowest in Quebec.

Power costs, as represented by net monthly bills for unrestricted 24-hour service are also generally lowest in Ontario, being less in the large majority of centres than in Hull and Joliette, the two lowest in Quebec. Net bills in Toronto are lower for all classes of consumers, large and small, than in Montreal.

Comparisons Difficult

The report cautions readers strongly, however, against using the comparison of costs for specific quantities for specific uses, as the criterion of costs in general or of costs of other quantities or uses.

Extracts from the report are as follows:

"The 'cost of electricity' is one of the most controversial topics in Canada and in the United States, and, quite probably, in many other countries. Also, it is seldom that a satisfactory explanation is given of the many differences in rates that exist. This is due chiefly to the fact that there is no 'cost of electricity' in the same sense as cost of flour, sugar, milk and such like which enter into the budget of the housewife where the cost of ten pounds is approximately ten times the cost of one pound.

"It is quite apparent that approximately the same results might be obtained by different combinations of the factors making the total bill and also that, due to the complexity of the rate structure, a direct comparison of rates themselves is not practicable. The bureau, however, was confronted with the problem of supplying information to answer numerous requests for such comparison and to meet the situation, at least in part, it was decided to compute bills for specific loads and specific quantities and compare the bills.

Basis of Comparison

"The first step was to select loads and quantities which were typical to the majority of the municipalities for which bills were to be computed. In the 1925 report on central electric stations, bills were computed for domestic light for 15, 20, 40, 60 and 180 kilowatt hours per month for 1913, 1923, 1924 and 1925 and index numbers computed using the 1913 bills as the base. In the 1926 report these were brought up to 1926 for practically every municipality in Canada for which comparable data for these years were available. In this report bills for the same quantities have been computed for 1926-1930 for all cities and towns having a population of 8,000 or over, according to the 1921 census. It is quite possible that some towns having populations of less than 8,000 at that time are now larger than some of the towns selected, but it was not possible to include all municipalities and the selection was made according to the latest official data available. This report also includes data for the same municipalities on commercial light and small power customers. No attempt was made to compute bills for large power customers due to the special considerations generally granted such customers. It should not be taken to mean, however, that regular tariff rates do not extend beyond loads of 100 horsepower because in many municipalities the same rates apply for all loads up to 500 horsepower.

"While the bills show the relative cost in different municipalities, it should be remembered that these costs are only for these specific quantities. Different quantities would give different average rates per kilowatt hour and different comparisons as between municipalities as shown in the following. Although the lighting rate is three cents net per kilowatt hour, the average cost per kilowatt hour for all electricity used in Winnipeg is less than one cent, due to the large quantities of electricity used for cooking and heating water which costs 0.9 cent per kilowatt hour. For lighting, 60 kilowatt hours cost $1.80 in Winnipeg, as against $1.40 in Ottawa, or an average of three cents in Winnipeg and 2.3 cents in Ottawa, but a combined consumption of 60 kilowatt hours for lighting and 440 kilowatt hours for cooking, etc., would cost $5.76 in Winnipeg and $3.55 in Ottawa, or averages per kilowatt hour of 1.13 cents in Winnipeg and 0.71 cent in Ottawa. In London, Ontario, the cost for 60 kilowatt hours would be approximately the same as in Ottawa but for 500 kilowatt hours it would be 1.25 cents per kilowatt hour.

Average Bill Used

"There is no end to such comparisons which can be made but the bills compiled will give some idea of the relative costs in the municipalities selected. To give some idea of the cost of electricity for combined lighting and cooking, bills were computed also for total consumptions of 300 kilowatt hours, made up of 80 kilowatt hours for lighting and 220 kilowatt hours for cooking. Although this quantity is small for municipalities where the unit price is low, it will be approximately the average for a large number of municipalities. An electric stove was estimated to have a total capacity of eight kilowatts and an average load of three to 3½ kilowatts. Consequently, the consumption of 220 kilowatt hours allows an average use of around two to 2½ hours per day for the average load.

"The loads used in computing the bills for power use were five, 25 and 100 horsepower. These were not the connected loads in all cases as in some municipalities the rates were based on 75 per cent, or other per cent, of the connected load or on the measured peak taken over varying intervals. In this respect bills are not directly comparable. For the majority of the municipalities, however, the load for which the bill was made was the same as the connected load. The kilowatt hours were the loads multiplied by the hours use. Thus, in a municipality where the bills were computed on the base of 80 per cent of the connected load, 200 hours use of 100 horsepower would be for a connected load of 12 horsepower using 14,914 kilowatt hours per month. This would be equivalent to a load factor of 22.5 per cent and to the consumption of a motor working at 80 per cent of capacity for eight hours for 25 days per month. Similarly, 100 hours use, or a consumption of 7,457 kilowatt hours, would be equivalent to a 125 horsepower motor working at an average of 37.5 per cent of total capacity eight hours per day for 25 days per month. The same methods were used in computing bills for commercial light.

Canada Pays Less

"A comparison of the costs of electricity in Montreal, Toronto and Winnipeg with costs for similar services and quantities in fifteen large cities in the United States indicates that for domestic service the cost in Canada was approximately one-half the cost in the United States and for small power customers it was about one-fifth less. For domestic service the cost of 40 kilowatt hours per month was used as a basis for this comparison and, for power, 100 horsepower using 7,457 kilowatt hours per month was used. The unweighted averages were used, but if they had been weighted by the populations or number of customers the differences in costs would have been still greater."

QUEBEC POWER LOWERS RATES TO CONSUMERS

Temporary Reduction is Made Pending Proposal for Arbitration

From Our Own Correspondent

MONTREAL.—Quebec Power Co. reduced its rates to consumers on July 1. The extent of the cut has not yet been disclosed.

This reduction, however, may be liable to change since the company has suggested arbitration by the Public Service Commission of Quebec as a solution to the electrical rates dispute which is prevailing with Quebec City.

No Action as Yet

As yet no action has been taken in regard to this proposed arbitration. The suggestion of Quebec Power Co. followed a refusal by the city of a new rate schedule, brought forward by the company in April.

The proposal did not meet with favor with the City Council and early in June Quebec Power made another proposal with a view to lowering rates. This offer was also turned down and the City Council stated that it would give the company two weeks to meet the city's terms; stating that failure to do this would mean the taking over by the city of the lighting system.

Quebec Power suggested arbitration by the Provincial Public Service Commission; as yet no definite action has been taken.

Winnipeg Riv. Flow Declines To 60 Per Cent

From Our Own Correspondent

MONTREAL.—Low water conditions on the Winnipeg River threaten another power shortage in Winnipeg. It has been stated that only 60 per cent of the normal water flow is available at the various power plants along the river, while conditions show no sign of improvement.

Last year there was a sub-normal flow on the river, resulting in a power shortage in October and November. Continued dry weather throughout the present year has accentuated the situation.

Winnipeg Electric Co. through its own and plants of subsidiaries, has about 208,000 h.p. installed on the Winnipeg River. Of this, 168,000 h.p. is developed by Manitoba Power Co., its subsidiary, and Northwestern Power Co. has just brought in its initial unit of 18,750 h.p. A second unit of similar capacity is expected to come into production immediately, while a third is scheduled for September 1.

While output from this new plant should help offset the effects of a water shortage, it is likely that a sub-normal flow of water will not allow capacity production.

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8

GREATER MILEAGE, FEWER CARFARES ON B.C. ELECTRIC

Company Opposes New Routes Not Now Justified

From Our Own Correspondent

VANCOUVER. — More mileage was operated in Greater Vancouver by the street car and bus services of the B. C. Electric Railway (B. C. Power Corporation) last year, but the number of passengers carried showed a decline, according to a special report prepared by President W. G. Murrin.

The report states that in 1930 there were 543,173 more miles operated than in 1929 and that passengers carried decreased 1,103,500 in the same period. For the first four months of 1931, 360,803 less passengers were carried than in the corresponding period of 1930.

"A study of the city will indicate that within practical limits the whole area is accessible to our existing street car, bus and interurban lines," said Mr. Murrin. "I am quite certain that the number of passengers travelling at the present time cannot fully justify the number of miles which are being operated.

"It has been our steady endeavor to adjust the mileage in the various districts so as to result in the greatest good to the greatest number.

"The opening up of routes which can not be justified at this time could only result in a reduction in the mileage operated in other districts where it is more urgently required."

C. P. R. OFFICIALS ASSUME CONTROL PACIFIC TERMINAL

W. B. Lanigan is Named President of the Company

From Our Own Correspondent

VANCOUVER.—Canadian Pacific Railway interests are now more directly associated in the management of Pacific Coast Terminals, as a result of the acquisition of control in this company by Consolidated Mining & Smelting Co., itself a C. P. R. subsidiary.

W. B. Lanigan, who was appointed to the directorate to fill the vacancy created by the death of A. C. Flumerfelt, former president, has become president and comptroller of the company. He represents the C. P. R., having served for many years as general freight agent. Mr. Lanigan will take direct personal interest in the company's affairs.

J. J. Warren, president of Consolidated Mining & Smelting Co., becomes the chairman of the board, of the Pacific Coast Terminals. Another executive of Consolidated elected to the board is T. W. Bingay, vice-president in charge of finances of C. M. & S. Bingay replaces B. C. Keeley, former manager of Canadian Government Merchant Marine, who resigned.

Valentine Quinn continues as vice-president and managing director.

C. P. R.'s interest in the affairs of this big terminal company, controlling shipments by rail and water from the important Fraser River valley, is regarded as significant of the company's desire to develop the industrial possibilities of that section and build up the shipping facilities there.

Canadian Pacific stock has been subjected to pressure on account of critical drought conditions in the three prairie provinces of Canada. These provinces last year produced 374,000,000 of the 398,000,000 bushels of wheat harvested in the entire Dominion, and drought has served to severely restrict forthcoming production. Succeeding crop estimates have ranged steadily downward in confirmation of the declining conditions, with the latest forecast for only 200,000,000 bushels.

The drought has already irredeemably ruined a large portion of the acreage and further beneficial precipitation between now and harvest time in August will do little more than maintain present conditions, while continuation of the drought might further reduce production. Present forecast is for the smallest yield in Canada's agricultural history and probably will be the lightest crop since 1919-1920 when 193,000,000 bushels were produced.

Inasmuch as roughly 100,000,000 bushels are annually utilized for domestic food, feed and seed needs, an appreciably smaller proportion than usual will remain for transportation to the ports for export. Although this will serve to utilize the possible 150,000,000-bushel old crop surplus in the hands of the Canadian wheat pool, which is already in eastern ports, it will sharply curtail the fall revenues of Canadian Pacific Railways, comments Wall Street Journal.

Approve Stock Reduction of Eastern Telephone Co.

From Our Own Correspondent

MONTREAL.—Reduction of the capital stock of the Eastern Telephone and Telegraph Co., subsidiary of Maritime Telegraph and Telephone Co., has been approved by the Parliamentary Committee on Railways and Canals. The bill had already been passed by the Senate.

The company, it was explained, owns certain transatlantic cable rights and its charter has been sold to American Telegraph and Telephone Co., which it is understood, will operate a direct telephone system with Great Britain.

The plant and property of Eastern Telephone and Telegraph Co. was transferred to Atlantic Utilities in 1929. The latter company in turn is controlled by Maritime Telegraph and Telephone.

Eastern Telegraph and Telephone Co. formerly operated the telephone system on Prince Edward Island.

Calgary Power Propose Erect Storage Dam

From Our Own Correspondent

MONTREAL—Calgary Power Co. has announced that it will erect a storage dam on the upper Kananaskis in the provincial forest reserves, at a cost of around $100,000. Work is expected to be commenced early in the fall.

Construction of the dam will ensure an adequate water supply on the Bow river during the winter months when the demand for power reaches a peak. Details of the plans have not yet been disclosed.

Calgary Power operates three hydro-electric developments on the Bow river, with a combined installed capacity of 70,000 horsepower, capable of expansion to a total of 96,000 horsepower. Steam plants, leased and controlled in Calgary and operated as standbys, have a combined installed capacity of 80,000 horsepower.

Sin-Mac Lines Cuts Expenses In Five Months

MONTREAL. — Through reductions in operating expenses, Sin-Mac Lines was able to report a small profit for the first five months of 1931, as compared with a substantial deficit experienced in the same period last year. Working expenses were cut by about 20 per cent and administrative expenses by 30 per cent.

The statement cannot be taken as a criterion for future progress during the year. Sin-Mac Lines, like other shipping companies, begins its operating year with the opening of navigation and of the first five months of 1931 only six weeks could be considered productive.

The outlook for the company is governed by the extent of shipping activity on the Great Lakes and this is still much below normal. Whether the movement of grain will assume better proportions than it did last year remains to be seen.

Another factor is the company's salvage work. This yields a substantial profit in some years, though in 1930 it showed a sharp decline.

JAMAICA SERVICE OBTAINS RELIEF FOR TRAMWAYS

Order-in-Council to Eliminate Bus Competition

From Our Own Correspondent

MONTREAL.—Relief for Jamaica Public Service Co. from bus competition, which has affected tramway earnings in recent years, is seen in the announcement that an order-in-council has been passed preventing the operation of buses in competitio with the company's trolley lines.

The new regulation provides that buses will not run on the main streets of Kingston and also imposes restrictions on operations of buses in other municipalities of Jamaica.

Tramway Earnings Decline

In 1930 the number of passengers carried by the tramway utility was 8,895,836 as compared with 9,371,805 carried in the previous year. In 1927 passengers carried totalled 9,671,524. Earnings declined sharply in 1930.

Lower earnings in this division have been offset by increased profits in the light and power department and gross earnings in 1930 increased nearly 2.8 per cent.

Aggressive Promotion Work

The company has been aggressive in promoting the use of electricity. Downward revision of the general rate structure together with improvement in the inducement features thereof have been of assistance in popularizing the use of electricity, the average cost per unit for home service having been decreased by some 30 per cent during the past five years.

Sales of merchandise last year continued to satisfactory volume, while further development in irrigation pumping in surrounding districts resulted in an increase of over 12 per cent in light and power net revenues in the Kingston area alone.

Gross earnings of Jamaica Public Service, Ltd. and subsidiary companies in May, 1931, was $68,455, a marginal decline from figures covering the same month in the previous year. Net operating revenue, however, decline by about $2,300, to $25,916.

Twelve months gross revenue to May 31, was higher by $42,000 at $845,631 and net operating revenue was $352,269 as opposed to $327,234 in the same period in 1930.

BANK LETTER DEALS WITH POWER GROWTH

Non-Ferrous Metals Uses Lead in Rate of Expansion

From Our Own Correspondent

MONTREAL.—Electrical development in Canada in recent years is dealt with in the July monthly letter of the Royal Bank of Canada. After a brief review of new realms which are being explored by science through the medium of electricity the letter continues:

"All of the power utilized in the production of automobiles, clay products and rubber goods is electrical. Sugar refining, printing and publishing, and plants manufacturing hardware and tools, brass and copper products, coke and gas products, and electric apparatus and supplies have 90 per cent electric power installations. In the long list of industries mentioned in the table of power equipment published by the Dominion Bureau of Statistics, the manufacture of feed and grist is the only one which utilizes less than 50 per cent of electric energy. Seventy per cent of all the energy used throughout the mining industry of the country, including coal, metals and petroleum, is electrical. Manufacturing and mining have come into the electrical age.

Lack Adequate Statistics

"It is a noteworthy fact, however, that these statistics of the use of electricity are based upon the proportion of installed electrical equipment in each industry. It is unfortunate that as yet there are no adequate statistics of the amount of energy used by these individual industries.

"The total installation in lumber, pulp and paper mills, 1,250,000 horsepower, far exceeds that in any other industry. The rate of expansion in non-ferrous metals and in miscellaneous uses has been most rapid. It is somewhat difficult to account for the fact that the chemical industry alone is making use of less equipment of this type at the end of the period than at its beginning, but it is probable that this is a carryover of the change from war to peace production.

"While these statistics do not give the energy consumption of these industries, they do indicate the rate at which electrical equipment has been introduced in recent years and portray something of the expansion in each group of industries. If it were practicable to project the line showing the power installation in each industry, the information so acquired would be of major importance to both the power companies and to manufacturers of electric apparatus. The interruption to normal projection resulting from the depression, however, has made this problem completely unsolvable.

Thayers Earnings Show Moderate Decline in 1931

While profits of Thayers Limited, oil and gasoline distributors operating throughout Western Ontario, are stated to be below 1930 the decline is small. In 1930 operating profits of $140,000 were approximately 4 times preferred dividend requirements, but this was before deducting depreciation and other reserves. Preferred dividends are being substantially covered in this year's earnings.

WESTERN LUMBER SUFFERS FURTHER FROM LOW PRICES

British Empire Trust Chairman Tells of Companies

At the annual meeting of the British Empire Trust Company in London, the chairman, J. Davidson, reviewed the position of a number of Canadian companies in which the Trust is interested. "British Columbia Power Corporation will continue to expand its business as the Province of British Columbia continues to develop," said Mr. Davidson.

Sales of Canadian Western Lumber Company for 1930 showed a decrease of 20 per cent and prices realized a decrease of 35 per cent. Sufficient profit was earned to provide interest on sinking fund on the first mortgage debenture stock and the full 5 per cent current interest on the income debentures but nothing wherewith to reduce further the arrears of interest on the income debentures. There has been an increase of 900,000 feet in the amount of lumber sold in the first five months of 1931 but prices realized have decreased by $300,000. Mr. Davidson expresses the opinion that in view of the continued decline in prices the current interest of 5 per cent for the year 1931 in the income debenture stock will not be earned. This would not constitute a default for the company as the interest on the income debenture is only payable if and to the extent earned. Mr. Davidson states that present low prices for lumber cannot continue indefinitely and he hopes that within a reasonable time conditions will improve.

Investments Depreciate

Canadian and Foreign Securities Company, although still owning certain land acquired from its predecessor, the Canadian Northern Prairie Lands Company, is in the main a financial investment company. In common with all investment companies its investments suffered in price during the last year and Mr. Davidson points out that by the transfer of $100,000 from reserve not only has the depreciation been fully provided for but the book values of the investments have been written down to a figure below the market value. Surplus profit and loss account increased from $174,938 to $242,684. The report shows a sound financial position.

In connection with Winnipeg Electric Company, it was pointed out that directors of that company expressed the view that the most serious stage in the depression has passed and that the prospects are somewhat brighter.

Outlook not Discouraging

Mr. Davidson expresses regret that the Imperial Economic Conference has been postponed as he was hopeful that a satisfactory outcome of such a conference would have hastened the recovery. In any event a recovery in the prices of primary products seems to Mr. Davidson to be an economic certainty and he feels that Canada, as a large producer of such, will be among the first to benefit. He says, "Apart from the present low prices of primary products, which have caused heavy losses in inventories and accounts receivable to numerous industrial concerns and will certainly involve reorganization in some cases, I do not consider the future outlook in Canada to be nearly so discouraging as in most other countries." He further expresses the opinion that the recovery in Canada will be more rapid than in most other countries.

Complete Installation Halifax Dial Phones

From Our Own Correspondent

MONTREAL.—On July 11, the remaining manual telephones in Halifax will be cut over to the dial system. Work has been proceeding toward this end for the past two years and substantial sums have been spent in installing automatic phone service in the city.

Last year Maritime Telegraph and Telephone Co. spent over $2,000,000 on capital account. A similar programme of expansion has been somewhat curtailed during the current year on account of general business conditions.

Maritime Telegraph and Telephone Co. experienced the best fiscal period in its history in 1930, with total revenue at $1,887,228 an increase of $81,000 over 1929.

B. C. Telephone Rushes Trans-Canada 'Phone Link

British Columbia Telephone Company now has 117,397 telephones in service. Connecting lines control, an additional 5,218 telephones.

Thirteen construction gangs—the most the B. C. Telephone Company has ever had on a toll line construction job—are now at work, building the trans-Canada telephone line through British Columbia.

One hundred and seventy-five men are employed on the undertaking. They are working at various points between the coast and Crow's Nest Station on the Alberta boundary, where the B.C. Telephone Company's portion of the work will end.

Hamilton Telephone Conscious

A report on the use of the telephone in Hamilton appearing in the Hamilton Chamber of Commerce Official Bulletin shows the number of telephones installed in the city to have grown from 850 in 1890 to 30,616 at present.

Vancouver—
Canada's Third Largest City

Vancouver is the third largest city in Canada and the most important Pacific coast port of North America.

Industrial activity has expanded with the rapid and consistent growth of the City; the population within the present boundaries has grown from 208,366 in 1925 to 242,629 in 1930.

Vancouver 5% Bonds, due January 15th, 1970, may be obtained in $1,000 and $500 denominations, payable in gold in Canada or New York.

Price: 106.75 and interest, yielding 4.62%.
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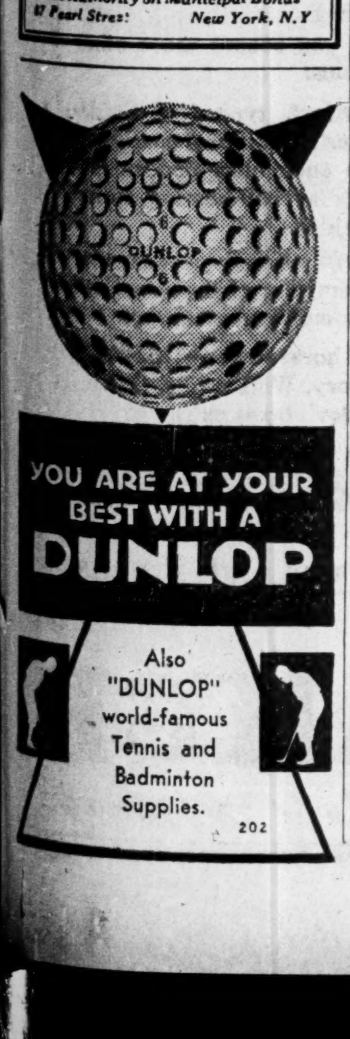

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News of Investment Markets

WESTERN BONDS ARE AFFECTED BY DEPRESSION

Demand is Lacking For Issues of Prairie Provinces

PRICES ARE DOWN

Security is Not Questioned But Confidence is Shaken; Future Not Clear

The difficult conditions prevailing in Western Canada are reflected in the current lack of demand for bonds of the prairie provinces. Saskatchewan issues are the most affected with Alberta and Manitoba next in order and so uncertain is the situation that dealers are unwilling to take any commitments of these bonds unless immediate resale is assured. Short term issues, if available in volume, are in some demand, but long term issues of these provinces are stated to have practically no market at the present time.

New York is selling bonds of these three provinces but a study of prices would indicate that there is no dumping. Canadian institutions in the east are retaining their present holdings but are making no further purchases although it is understood that some of the banks are buying short term bonds if these are available. Private investors appear to be keeping away from western provincial bonds but there is some buying from the West.

Act As Agents Only

Practically all of the financing undertaken by Alberta, Saskatchewan and Manitoba since January, 1931, has been on a short term basis. Alberta has been by far the most active of any of the western provinces and has issued bonds to the extent of some $17,593,000, but of this amount only $5,000,000 has been on a long term basis. As indicated in the last budget speech the syndicate of investment houses handling the issue have merely acted as fiscal agents and have not undertaken any liability in connection with the sale of the bonds and notes. It is stated that the short term issues have sold well but more trouble has been experienced with the long term issues.

Manitoba has undertaken no new financing since January when an issue of $2,444,000 one-year 4 per cent notes was sold. Saskatchewan, hardest hit of the three provinces by the wheat situation, has issued $5,500,000 of short term notes during the current year. It is generally admitted in investment circles that any of these provinces would find it extremely difficult to finance on a long term basis on satisfactory terms at the present time. Dependent in large degree upon the prosperity of a large agricultural community which has felt severely the drastic decline in prices of agricultural products throughout the world the provinces have been faced with increased demands for relief and a coincident drop in revenues. Added to this is the liability incurred in the guaranteeing of loans made by the banks to the provincial wheat pools. Provincial budgets have been upset and the status of provincial obligations has been lowered.

No suggestion is made that any of the three prairie provinces will default on any obligation and should any emergency arise it is generally regarded that federal aid would be forthcoming. The whole situation is due largely to wheat prices and with a small crop in prospect for the current year it is believed that there is no immediate relief in sight.

Prices Fall Off

Retail prices of bonds of the prairie provinces have been fairly well maintained and do not indicate any drastic change during the past few months. It is to be noted, however, that offerings of Saskatchewan and Manitoba bonds are not being made in dealers offering sheets, while Alberta 4½'s of 1946 are being offered on a 4.80 per cent yield basis.

Street, or wholesale, prices are more indicative of the present market for the bonds and at the present time and Saskatchewan 5's of 1959 are quoted at par bid as against 102½ in April and 101½ up to the middle of June. Manitoba 5's of 1959 are quoted at 102 bid as against 103¼ early in June and 102 in May. Alberta 4½'s of 1956 are quoted at 94 bid as compared with 96½ bid in May and 97 bid in the latter part of March and early April. At the present time British Columbia 5's of 1954 are bid at 103; Ontario 5's of 1960 at 105½; New Brunswick 4¾'s of 1960 at 103 and Nova Scotia 5's of 1960 at 105½.

Bond Sales

WATERLOO, ONT.

Fry, Mills, Spence & Co. has been awarded $301,031 installment debentures of the Town of Waterloo, Ont., at 100.07, cost basis approximately 4.61%. The purchase includes the following blocks of bonds:

$ 6,794 5% 5 installments.
$ 30,787 5% 10 installments.
$ 41,487 5% 15 installments.
$ 27,937 5% 20 installments.
$125,000 4½% 30 installments.
$ 69,026 4½% 30 installments.

The coupon rate on the last block of bonds was optional and several bids were entered on the basis of a 5% coupon rate. Bids are reported as follows:

		Prices quoted include $69,000 at 5%	at 4½%
1	Fry, Mills, Spence & Co.	.....	100.07
2	A. E. Ames & Co.	100.92	99.76
3	J. L. Graham & Co.	100.76	99.44
4	Bank of Toronto	100.74	99.41
5	Gairdner & Co.	100.676	99.472
6	R. A. Daly & Co.	100.58	.....
7	Dyment, Anderson & Co.	.....	99.31
8	Griffiths, Fairclough & Norsworthy	.....	99.31
9	Waterloo Bond Corp.	.....	99.19
10	Bell, Gouinlock & Co.	.....	99.176
11	Dom. Securities Corp.	.....	99.027
12	H. R. Bain & Co.	100.14	98.81
13	C. H. Burgess & Co.	99.973	98.673
14	Cochran, Murray & Co.	.....	98.7019
15	Harris, MacKeen & Co.	99.5689	98.25
16	Wood, Gundy & Co.	.....	98.68
17	McLeod, Young & Weir & Co.	.....	97.79
18	Stewart, Scully & Co.	.....	97.63

DARTMOUTH, N.S.

Drury & Co. and C. H. Burgess & Co. have been awarded $113,500 4½% debentures of the town of Dartmouth, N.S., maturing June 1, 1950, at 98.90, cost basis 4.58%. Bids are reported as follows:

1	Drury & Co. and C. H. Burgess	98.90
2	J. C. Mackintosh & Co.	98.88
3	W. C. Pitfield & Co.	98.85
4	Johnston & Ward	98.57
5	Eastern Securities Co.	98.53
6	Royal Securities Corp.	98.37
7	Dominion Securities Corp.	98.11

GRAND'MERE, QUE.

L. G. Beaubien & Co. has been awarded $78,700 5% debentures of the city of Grand'Mere, Quebec, due May 1, 1945, at 100.09; cost basis approximately 5%. Bids are reported as follows:

1	L. G. Beaubien & Company	100.09
2	Banque Canadienne Nationale	99.17
3	Dominion Securities Corp.	98.81
4	McLeod, Young, Weir & Co.	98.30

TOWN OF GRIMSBY, ONT.

A. E. Ames & Co. has been awarded $45,000 5% 30 installment debentures of the town of Grimsby, Ont., at 103.25; cost basis 4.73%. Bids were as follows:

1	A. E. Ames & Co.	103.25
2	Dominion Securities Corp.	102.913
3	Gairdner & Co.	102.172
4	R. A. Daly & Co.	102.04
5	C. H. Burgess & Co.	102.014
6	Bell, Gouinlock & Co.	101.914
7	Canadian Bank of Commerce	101.90
8	McLeod, Young, Weir & Co.	101.67
9	Dyment, Anderson & Co.	101.62
10	Cochran, Murray & Co.	101.61
11	Wood, Gundy & Co.	100.40
12	Harris, McKeen & Co.	100.26
13	J. L. Graham & Co.	99.50

COUNTY OF NORFOLK, ONT.

Gairdner & Co. has been awarded $20,000 5% 15 installment debentures of the County of Norfolk, Ont., at 102.821; cost basis 4.59 per cent. Bids were as follows:

1	Gairdner & Co.	102.821
2	C. H. Burgess & Co.	102.76
3	J. L. Goad & Co.	102.66
4	Cochran, Murray & Co.	102.51
5	A. E. Ames & Co.	102.40
6	Dom. Securities Corp.	102.179
7	Milner, Ross & Co.	102.16
8	Stewart, Scully & Co.	102.036
9	R. A. Daly & Co.	101.86
10	McLeod, Young, Weir & Co.	101.85
11	Bell, Gouinlock & Co.	101.759
12	Dyment, Anderson & Co.	101.758

TERREBONNE, QUE.

Lajoie, Robitaille & Co. has been awarded $20,000 5% 20 year serial debentures of the town of Terrebonne, Quebec, at 99.37, cost basis 5.09%. Bids are reported as follows:

1	Lajoie, Robitaille & Co.	99.37
2	L. G. Beaubien & Co.	99.29
3	Credit Anglo-Française, Ltd.	99.27
4	Ernest Savard Ltd.	99.07
5	Dom. Securities Corp.	98.78

ORILLIA, ONT.

A. B. Thomson, Orillia, has been awarded $104,073, 5 per cent installment debentures of the town of Orillia, Ont., at 103.138; cost basis 4.63%. Four blocks of bonds were included in the sale of which $15,000 matures in 10-installments, $22,300 in 15 installments, $50,000 in 20 installments and $16,773 in 30 installments. The debentures are guaranteed by the county of Simcoe.

Bids are reported as follows:

1.	A. B. Thomson	103.138
2.	C. H. Burgess & Co.	103.03
3.	J. L. Goad & Co.	102.463
4.	Fry, Mills, Spence & Co.	102.31
5.	Milner, Ross & Co.	102.61
6.	Gairdner & Co.	102.13
7.	A. E. Ames & Co.	102.10
8.	Dominion Securities Corp.	101.827
9.	Stewart, Scully & Co.	101.78
10.	Dyment, Anderson & Co.	101.447
11.	J. L. Graham & Co.	100.93
12.	McLeod, Young, Weir & Co.	100.89
13.	R. A. Daly & Co.	100.89
14.	Cochrane, Murray & Co.	100.5478
15.	Harris, McKeen & Co.	100.52
16.	Bell, Gouinlock & Co.	100.25

PENETANGUISHENE, ONT.

Gairdner & Co. has been awarded $91,000 installment debentures of the town of Penetanguishene, Ont. at 102.982; cost basis 4.63 per cent. The total was composed of the following blocks:

$50,000 5% 10-installments.
6,000 5½% 10-installments.
15,000 5% 8-installments.
20,000 5% 15-installments.

Debentures are guaranteed by the county of Simcoe.

Bids are reported as follows:

1.	Gairdner & Co.	102.082
2.	J. L. Goad & Co.	101.639
3.	Milner, Ross & Co.	101.52
4.	Bell, Gouinlock & Co.	100.725
5.	C. H. Burgess & Co.	101.62
6.	Dominion Securities Corp.	101.079
7.	J. L. Graham & Co.	100.58
8.	McLeod, Young, Weir & Co.	100.45
9.	Harris, McKeen & Co.	99.50

VERDUN ROMAN CATHOLIC SCHOOLS

McLeod, Young, Weir & Co. has been awarded $166,000, 5 per cent 40-year serial debentures of Verdun Roman Catholic Schools at 101.19; cost basis 4.92 per cent. Bids are reported as follows:

1	McLeod, Young, Weir & Co.	101.19
2	Dyment, Anderson & Co.	101.07
3	Banque Provinciale du Canada	100.25
4	Mead & Co.	99.05

LINDSAY, ONT.

J. L. Goad & Co. has been awarded $29,697 5 per cent 10 and 20-installment debentures of Lindsay, Ont., at 102.45; cost basis 4.70 per cent. Bids were as follows:

1	J. L. Goad & Co.	102.45
2	Gairdner & Co.	102.11
3	C. H. Burgess & Co.	102.043
4	A. E. Ames & Co.	101.47
5	J. L. Graham & Co.	101.42
6	Dominion Securities Corp.	101.279
7	Dominion Bank	101.23
8	Dyment, Anderson & Co.	101.194
9	Griffis, Fairclough & Norsworthy	101.05
10	Victoria Trust Co. (average)	100.72
11	McLeod, Young, Weir & Co.	100.29
12	Bell, Gouinlock & Co.	100.[illegible]5
13	Nesbitt, Thomson & Co.	99.11

DOMINION GAS BONDS OFFERED WITH WARRANTS

Subsidiaries Operate Utilities in Western Canada

Canadian investors are being offered bonds of Dominion Gas & Electric Co. which owns a number of operating companies in Western Canada acquired in 1930 from International Utilities Corp. Dominion Gas, through its subsidiaries, is engaged in the production, transportation and distribution of electric power and light, natural gas and/or water in 123 communities in Alberta, Saskatchewan and British Columbia. Its subsidiaries serve over 50,000 customers in a territory with an estimated population of 250,000.

Among the subsidiary companies are Canadian Western Natural Gas, Light, Heat & Power Co., Northwestern Utilities Ltd., Canadian Utilities Ltd., Union Power Co., Duncan Utilities Ltd. and Nanaimo Electric Light, Power & Heating Co. The proceeds of the $8,000,000 offering of first lien and collateral gold bonds, 6½ per cent series, and proceeds from sale of junior securities have been used to acquire the capital stock of these subsidiaries and other securities held by Dominion Gas & Electric Co. Control of the latter company, which is incorporated in Delaware, is held by American Commonwealths Power Corp.

Consolidated net earnings of Dominion Gas & Electric Co. and subsidiaries, irrespective of dates of acquisition and giving effect to this financing, have been certified at $2,115,901 in 1930 before giving effect to depreciation, depletion, and other reserves, dividends, etc., as compared with $2,089,352 in the previous year. Prior charges of subsidiaries amounted to $538,386 and annual interest requirements on the present issue would be $520,000. Of the consolidated net earnings in 1930, 78 per cent was derived from natural gas and 22 per cent from electric light and power operations.

Details of the present offering are as follows:

DOMINION GAS & ELECTRIC CO.
$8,000,000

First Lien and Collateral Gold Bonds, 6½ per cent Series.

Dated—July 1, 1930; due July 1, 1945.

Interest payable — January and July 1 without deduction for any Federal income tax (United States) not exceeding 2 per cent. Payable in Chicago, New York and at the company's Canadian agency.

Denominations — $1,000 and $500, coupon bonds, registerable as to principal only.

Redeemable—In whole or in part at any time on option of the company on 30 days' notice at 107½ prior to July 1, 1931, with a reduction in redemption price of ½ of 1 per cent on July 1, 1931, and on each July 1 thereafter.

Sinking Fund—Payable on July 1, 1933, and each July 1 thereafter an amount of cash equal to 1¼ per cent of the greatest principal amount of all bonds of the 6½ per cent series outstanding.

Security—A direct obligation of the company and secured by a first lien on securities deposited with the trustee as follows: $4,000,000 of first mortgage 6½ per cent bonds and all capital stocks, except directors' qualifying shares, of subsidiary electric companies; over 94 per cent of common stock of Canadian Western Natural Gas, Light, Heat & Power Co., and over 95 per cent of common stock of Edmonton Utilities Ltd., which owns all the common stock of Northwestern Utilities Ltd.; also a substantial amount of the preferred stocks of operating gas subsidiaries.

Capitalization — As at December 31, 1930, giving effect to present financing:

	Authorized	Outstanding
First lien and collateral gold bonds, 6½% series	*	$8,000,000
3-year 6% gold notes, due July 1, 1933	$3,000,000	$3,000,000
First preferred, $7 series of 1930, n. p. v.	100,000 shs.	100,000 shs.
Second preferred, $7 series of 1930, n. p. v.	50,000 shs.	41,534 shs.
Common, n.p.v.	†1,000,000 shs.	‡712,500 shs.

*Additional bonds issuable under restrictive provisions of indenture.

†37,500 shares reserved for exercise of warrants outstanding.

‡Including 120,000 shares reserved for warrants attached to present issue.

In addition to above public interest in subsidiaries amounts to $3,903,707 principal amount of funded debt, 42,655 shares of preferred stocks and 7,283 shares of common stocks.

Share Warrants—Each $1,000 bond carries non-detachable share warrants entitling holder to 15 shares of common stock at $10 per share at any time prior to July 1, 1940.

Offer—$8,000,000, by U. S. syndicate in the United States and at 96.50 by Greenshields & Co. and Matthews & Co. in Canada.

C. G. I. TRUST MERGER BASIS IS FOUR FOR ONE

Acquisition of Third Trust is Postponed For the Present

THE FEE IS REDUCED

Liquidating Value of First Trust Shares is $52.41; of Second Trust, $13.93

Amalgamation of Canadian General Investment Trust Ltd. with Second Canadian General Investments Ltd. will be effected on the basis of issuance of four shares of the second trust for each share on the first trust providing that approval is given by shareholders of Canadian General Investment Trust Ltd., at a special general meeting to be held on August 6 in Toronto. Acquisition of the Third Canadian General Investment Trust Ltd., through exchange of shares will be deferred for the present but will take place later in the current year it is anticipated.

Under the plan agreed to by directors of the two trusts on May 8, it was proposed that amalgamation would be effected on the basis of the exact liquidating values of each company on the average of three dates, May 1, May 15 and June 1. Liquidating value of the shares of Canadian General Investment Trust Ltd. has been established at $52.41 as compared with $13,935 for Second Canadian General Investments Ltd., slightly under a ratio of four to one. A committee composed of Sir Henry Drayton, G. Harrison Smith and Professor M. A. Mackenzie, valued the unlisted or inactive securities and received the valuations of listed securities and the total per share valuations as computed by the auditors, Price, Waterhouse & Co. and Clarkson, Gordon, Dilworth, Guilfoyle & Nash.

Management Fee Reduced

Shareholders of Canadian General Investments Ltd. are informed that after careful consideration of the nature of the securities held in the first trust and in view of the fact that holdings by the first trust of bonds and preferred stocks were substantially larger than those of the second trust, it was the recommendation of the committee that the basis of amalgamation should be four shares of the second trust for each share of the first. The plan previously agreed to was modified by directors of the two trusts to agree with the proposal of the committee.

The management expense, on completion of the proposed amalgamation will be one-half of 1 per cent of the average portfolio values computed monthly. The fee will be based on the liquidating value of the company and not on the book value as has been the custom in the past with the first trust. This, it is stated, will effect a reduction in the management fee corresponding with the depreciation from time to time existing in the assets of the company, which, on the present scale of values, will mean a saving in excess of 40 per cent of the management fees formerly paid.

Second Canadian General Investments Ltd. has under its charter the power to issue share warrants and it is stated that in the opinion of counsel share warrants are not taxable for succession duty purposes at the head office of the company but only at the point where such warrants are held. Subject to confirmation of the agreement of amalgamation, shareholders of the first trust will be given the option of receiving either share warrants or share certificates. The right to receive share warrants is regarded as being of considerable importance to shareholders of the first trust resident outside of Ontario. Following acceptance of the terms of amalgamation Second Canadian General Investments Ltd. will apply for change of name to Canadian General Investments Ltd. and certificates and warrants will be issued under this name.

Accompanying the letter to shareholders of the first trust are balance sheets of the two companies as of June 1, certified by the auditors.

Winfield New Vice-President Maritime Telegraph Co.

From Our Own Correspondent

MONTREAL.—J. H. Winfield, formerly managing director of the Maritime Telegraph and Telephone has been elected vice-president succeeding the late Geo. E. Faulkner. Mr. Winfield has also been elected president of the Island Telephone Co., and retains the position of vice-president of the Eastern Electric Co. and managing director of Atlantic Utilities Ltd.

Maritime Tel. Toll Calls 93 Per Cent Completed

From Our Own Correspondent

MONTREAL. — Toll traffic in the month ended May 21 of the Maritime Telegraph and Telephone Co. resulted in a total of 138,827 calls handled. Of these 129,375 were completed and 9,452 were lost, a total of 93 per cent of completed calls.

Toll revenue efficiency for the period was reported at 97 points, one point less than in the preceding month.

Bond Tenders

4 o'clock, July 14, County of Grey—$150,000, 4½ per cent 20-year debentures, due August 1, 1951. Interest Feb. and Aug. 1, payable at Royal Bank, Owen Sound. John Parker, county treas., Box 1006, Owen Sound. (See announcement on page 10).

July 15, City of Shawinigan Falls.—$200,000, 5 per cent, 40-year bonds dated May 1, 1930, redeemable by series of successive payments every four years from Nov., 1933 to May, 1970; $50,000, 5 per cent, 30-year serial bonds redeemable from Nov., 1931 to May, 1961; $100,000, 5 per cent, 30-year serial bonds dated May 1, 1931, redeemable Nov., 1931 to May, 1961; $10,500, 5 per cent, serial bonds dated May 1, 1930, redeemable from Nov. 1, 1968 to May 1, 1970; and $130,000, 5 per cent, 40-year serial bonds dated May 1, 1931, redeemable from Nov., 1931 to May, 1971. A. J. Menier, sec.-treas.

4 p.m., July 10, Summerside, P.E.I.—$28,500, 5 per cent, 20-year sinking fund debentures. Denominations $500. H. J. Massey, town clerk.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
B.C. Telephone	4½%	1962	†Nov. 1	105
Cascade Water Power	4½%	1940	†May 1/32	100
West Kootenay Pr.	6%	1940	Sept. 1	110
St. Lawrence Pwr.	*6%	1935	Aug. 1	105
Steel Co. of Canada	6%	1940	Aug. 1	‡
Foreign Issues—				
Kingdom of Denmark	*5%	1955	Aug. 1	100
Kingdom of Norway	*5%	1967	Dec. 1	100
Agric. Mort. Bk. of Colombia	*7%	1947	July 15	100

*Called in part.
†Or before.
‡Tenders asked by trustee.

U.S. Electric Shares Are Publicly Offered

MONTREAL.—An offering of United States Electric Light and Power Shares, trust certificates series B, is being made by Johnston and Ward, Montreal. The company's first fund, represented by certificates of series A, was disposed of after incorporation in 1927.

Each share of series B represents a one two thousandth interest in one trust unit, which includes stocks of electric light and power companies, serving directly or through subsidiaries over 200 of the largest cities in the United States.

It has been estimated that these companies sell over 80 per cent of the nation's electric energy. Montreal Light, Heat and Power and Shawinigan Water and Power are the only two Canadian companies in the portfolio.

Covers Forty Four Stocks

One trust unit as of January 1, 1931, embodied 394 shares of 44 utility companies. Not more than ten per cent of the fund has been invested in securities of any one company.

The agreement expires on January 31, 1950, but may be extended for additional periods of 10 years. It may be terminated at any time, upon 30 day's notice to the trustee, either by the holders of 75 per cent of all outstanding shares, or by the company and the holders of ten per cent of all outstanding shares.

Western Grain Passes Dividend on Preferred

In connection with the passing of the current quarter's dividend on the preferred shares of the Western Grain Co. Ltd., Wood, Gundy and Co. write stockholders of the company to say they understand that Western Grain is experiencing a more satisfactory year than during the fiscal year ended July 31, 1930, and that the financial position of the company has improved as a result of large grain handlings.

"Unfortunately, however," the letter continues, "the outlook for the present years' crop is unfavorable and consequently, in order to conserve its current resources, the directors have deemed it advisable not to make any dividend disbursement at this juncture."

Summary of Week's Annual Reports

A brief analysis of common stock earnings per annual statements received since last week's issue. Earnings per share are shown in brackets when they are before depreciation or income tax, or both, as indicated against "net income." The market price is the close on Tuesday this week, or last sale. Company name in bold type indicates listed stocks. The net income shown, is before preferred dividend, if any.

Company	Year end.	Net income 1930	Net income 1929	Common share earnings 1930	Common share earnings 1929	Curr: divd.	Surplus after dividends 1930	Surplus after dividends 1929	Mkt.	Mkt. times earn.	Yield
Brazilian Traction	Dec. 31	16,205,339	16,861,097	2.50	2.67	1.50+	*2,555,661	1,359,526	23	9¼	...
Can. Foreign Invest.	Dec. 31	314,668	322,178	a2.38	a2.49	...	209,566	54,245	5¾	...	...
Cons. Food Products	Mar. 31	d324,532	d203,684	...	...	...	d324,532	d203,684	¾	...	...
Dominion-Scottish I. T.	May 31	164,579	161,681	.24	.40	...	b14,767	23,807	...	...	...
Foundation Co.	Apr. 30	183,822	242,660	2.17	2.86	1	99,222	158,060	12	5½	8.5
Loblaw Groceterias	May 31	1,084,635	1,088,022	1.27	1.28	.80	403,962	531,517	11¾	9¼	6.8
Neon Prod. of W. Can.	Apr. 30	86,819	20,551	1.25	.29	c(.25)	55,110	16,051	...	...	...
Nth. Amer. Elevators	Apr. 30	29,332	......	...	...	...	2,807		...	...	...
United Fuel Inv.	Mar. 31	276,197	689,527	...	1.50	...	d218,803	149,527	3	...	...

*Plus 2% stk. divd. paid Dec. 1, 1930 at $20 per share; also 1% spec. stk. divd. paid March 1, 1930 at $25 per sh. in addition to ordinary dividend. a—After deducting full year's dividend on pfd. outstanding, but not arrears. b—Subject to deduction for increased income tax retroactive to 1930. c—No fixed rate. d—Loss or deficit.

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Muncipal	Date Sold	Sold To	Rate	Maturity	Amount	Price	Basis
Lindsay	July	J. L. Goad & Co.	5%	10 & 20-ins.	29,697	102.45	4.70%
Orillia	June 30	A. B. Thompson & Co.	5%	10-ins.	$15,000	103.138	4.63%
			5%	15-ins.	22,300		
			5%	20-ins.	50,000		
			5%	30-ins.	16,773		
New Glasgow	July 2	W. C. Pitfield & Co.	4½%	25-yr.	90,000	98.275	4.62%
Penetanguishene	July 2	Gairdner & Co.	5%	10-ins.	50,000	102.082	4.68%
			5½%	10-ins.	6,000		
			5%	8-ins.	15,000		
			5%	15-ins.	20,000		
Dartmouth, N.S.	July	Drury & Co., and C. H. Burgess & Co.	4½%	1950	113,500	98.90	4.58%
Grand'Mere, Que.	June 29	L. G. Beaubien & Co.	5%	1945	68,700	100.09	4.99%
Norfolk County	June 30	Gairdner & Co.	5%	15-ins.	20,000	102.821	4.56%
Verdun Cath. Schl. Dist., Que.	July	McLeod, Young, Weir & Co.	5%	Serial	166,000	101.19	4.90%
Grimsby		A. E. Ames & Co.	5%	30-ins.	45,000	103.25	4.71%
Terrebonne, Que.	July	Lajoie, Robitaille & Co.	5%	Serial	20,000	99.37	5.09%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered by	Rate	Due	Amount	Offered	Yield
United States Elec. Lt. & Pr.	July	Johnston & Ward	Trust Certificates		......	......	......
Dominion Gas & Elec. Co.	July	Greenshields & Co., Matthews & Co.	6½%	1945	8,000,000	96.50	6.90%

The Bond market today offers a wide range of prices and yields. You need expert advice and access to reliable information to profit by these conditions.

Our representatives will be pleased to assist you, or, should you be unable to visit our offices, our Mail Department is at your service.

The National City Company
Limited
Head Office — 360 St. James Street — Montreal
320 Bay Street TORONTO
85 Sparks Street OTTAWA
65 St. Anne Street QUEBEC

903

The National City Bank of New York

including

Domestic and Foreign Offices

Condensed Statement of Condition as of June 30, 1931

CAPITAL, SURPLUS and UNDIVIDED PROFITS $225,769,139.11

Head Office:
55 Wall Street
New York

ASSETS		
Cash in Vault and in Federal Reserve Bank	$161,133,434.74	
Due from Banks and Bankers	182,415,687.02	$ 343,549,121.76
Loans, Discounts and Bankers' Acceptances		1,003,815,601.27
United States Government Bonds and Certificates	$223,030,410.83	
State and Municipal Bonds	6,216,038.17	
Stock in Federal Reserve Bank	6,600,000.00	
Other Bonds and Securities	122,557,108.35	358,403,557.35
Ownership of: International Banking Corporation		8,000,000.00
Bank Buildings		55,612,010.35
Items in Transit with Branches		21,773,839.24
Customers' Liability Account of Acceptances		174,920,242.85
Other Assets		7,066,222.24
Total		$1,973,140,595.06
LIABILITIES		
Capital	$110,000,000.00	
Surplus	90,000,000.00	
Undivided Profits	25,769,139.11	$ 225,769,139.11
Reserves for:		
Contingencies	$ 7,313,906.96	
Accrued Interest, Discount and Other Unearned Income	3,771,573.78	
Taxes, Dividends and Accrued Expenses, et cetera	9,157,936.01	20,243,416.75
Liability as Acceptor, Endorser or Maker on Acceptances and Foreign Bills		266,571,009.67
Deposits		1,460,557,029.53
Total		$1,973,140,595.06

Figures of Foreign Offices which are included herein are as of June 25, 1931

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TORONTO, JULY 9, 1931

EXIT APPENDIX XII

THE government has probably done quite the correct thing in removing from the Stamp report the notorious appendix number 12 which was a chart purporting to compare the payments made to wheat pool members with the prices that could have been obtained by non-pool farmers selling their grain through the ordinary channels of delivery. Readers of The Financial Post are familiar with this chart for it was published in our issue of June 11, exactly as it appeared in the Stamp report. There may well be differences of opinion as to the essential accuracy of the comparisons made by the chart. Pool officials certainly do not consider it thoroughly fair. Nevertheless as a rough and ready index of the comparative results of pool and non-pool marketing The Financial Post considers the chart to have considerable merit, despite some technical weaknesses.

Nevertheless the government is not called upon to express any opinion as to the merit or demerit of the chart in having it eliminated from the Stamp report. The chart was filed as an exhibit at the last moments of the session in Winnipeg and had not been checked by officials of the Pool. Had Sir Josiah Stamp and his associates made any comment on the chart in their report its publication would have been fair and in fact essential to an illumination of their comments. But there is no comment on it in the report and nothing to indicate whether or not Sir Josiah accepted it as a fair comparison or not. This is why it was unfair to include it. Appearing in the report it was bound to be accepted by many people as having the approval of the commissioners. Since the commissioners did not see fit to comment on it in any way, whether by way of criticism or approval, it is just as well that it should not appear in the final report.

WHAT DO TARIFFS REALLY COST?

CANADA has never undertaken any study of what the tariff costs in this country. Australia attempted such a survey and about a year ago came to the general conclusion that the tariff added 8% to the production costs of export producers. In other words the tariff has definitely increased the cost of living in Australia.

To the average urbanite or industrial worker in Australia this increase of 8% in living costs is not important for the tariff has also served to raise the level of wages and to insure somewhat steadier employment than might otherwise have been achieved. But for the export producer, such as the farmer growing wool or wheat for sale abroad, every cent that the tariff adds to his costs is important, for it lessens his ability to compete in foreign markets.

From the standpoint of the export producer in Australia the question of his attitude towards the tariff is whether or not the larger home market that is created for a portion of his produce provides him with sufficient profit to offset the increase of 8% in his costs of production generally. This will settle the question for the farmer as to whether or not he personally is in favor of the tariff, but it does not settle the question of whether or not a tariff is good for Australia. In the ultimate analysis the test of the value of the tariff to Australia is whether the additional production and employment created more than offsets the loss to the country through an increase in the costs of those who have to sell in foreign markets.

If it were possible to take this figure of 8% as applicable to Canada there would be no doubt that, from a national standpoint, greater increase in production and employment has resulted in Canada from the tariff than has possibly been lost by an addition of 8% to the cost of growing wheat, of fishing, trapping, mining and other such export industries.

It may be that the new tariff board, constituted on a statutory basis by Mr. Bennett, will find it useful to undertake some economic study of the cost of tariffs in Canada, the proportion in which that cost is borne by consumers, export producers, etc., and the new wealth that is created behind tariff barriers and who shares in that wealth. Any such study can only provide information capable of rough and ready application. One has to take tariff with a good deal of faith, just as one does other factors incapable of scientific valuation such as education, highway development, taxation, etc. But granting the limitations, it is rather notable that we have for forty-three years followed a national policy of protection in Canada without ever having undertaken any sort of analysis of the cost of it.

POSTPONEMENT SHOULD BE PERMANENT

THE prime minister has seen fit to postpone the special tax on dividends paid by Canadian corporations to non-resident shareholders. Probably, when he has had an opportunity further to study the representations that have been made to him in opposition to this tax, Mr. Bennett will decide to drop it entirely. Even one of the most loyal of the Tory organs has come out with an editorial that, while it supports Mr. Bennett for the introduction of the tax, condemns the principle of it and suggests that it will probably be cancelled before it can become effective. This is a deft way to criticize the tax without swerving from allegiance to the Conservative cause, but it is significant that even Mr. Bennett's friends consider the tax a mistake.

It is indeed a mistake. In Canada we have benefitted enormously from the investment of foreign and British capital in this country. In the future we shall be making further appeals for outside capital. To impose a tax upon the dividends earned in the investment of such capital would create a psychological and practical barrier to the sale of Canadian investments abroad that might seriously thwart our endeavors to finance our further expansion. At the present time, all profits earned on outside capital invested in Canadian corporations are taxed in the form of a ten per cent levy on corporation profits, whether disbursed as dividends or not. When disbursed as dividends to Canadians they are further taxed (but with a partial exemption) and while this is double taxation and is to be deplored, it at least has some theoretical justice in that it represents less a tax on the profits themselves than on the individual who thus helps to pay for the governmental services afforded to him. But this theory can not be made to apply to those non-residents who do not enjoy personal privileges under our government.

The tax is wrong and should be thrown out. It was obviously introduced without sufficient consideration.

ONTARIO PIONEERS MET HARDSHIPS

WHILE the crop outlook in Western Canada is the most serious in years and it is apparent that genuine distress will follow from the crop failure in many districts there is some comfort in noting that conditions in Ontario and in large parts of Quebec and the Maritime Provinces are splendid. In the eastern provinces agriculture is well established and because of the diversification that has been achieved and because of the handiness of the home and nearby markets, there is seldom a complete breakdown in farm income.

Nevertheless we should not overlook the fact that the early settlers in Ontario faced conditions similar to those now being experienced in the West. These Canadian pioneers suffered all the consequences of poor crops, frozen grain and similar difficulties. There are many men and women living today who will recall years when the farmers had nothing to live on but milk and turnips, everything else being frozen. As these Eastern farmers gained experience they learned how to meet Nature's handicaps and vary their production to meet market demands.

Today the West is learning some lessons from its hard experience. Western agricultural papers tell of the courageous and successful efforts of many Western farmers to meet such problems as the drifting of soil, the menace of weeds and insects. They tell how diversification in some districts is helping to level out prosperity on the prairies. Whatever the situation in Western Canada it represents only a temporary emergency and not a permanent collapse of Western agriculture. The West will be prosperous again and this fact should always be kept in mind even as the country dips deeply into its pocket to prevent this emergency from bearing too harshly upon individuals.

INADEQUATE REPORTS FOR SHAREHOLDERS

THE first purpose of an annual report of a corporation should be to convey to the shareholders all the information to which they are entitled, and to convey it to them in understandable form. It must be admitted that a very high proportion of shareholders reports fall short of this ideal.

One report that came out recently might be cited. It has the usual auditor's certificate, reading "We have received all the information and explanations we have required, and we certify that in our opinion the attached consolidated balance sheet and relative operating statements reflect the true position of the affairs of the company, according to the information and explanations given to us, and as shown by the books of the company."

An auditor's statement of this character gives only slight solace to the shareholder who is unable to find all the information he requires in the report. It indicates of course that the auditors had the information, even if it was denied to the shareholders. Enough companies have gone bankrupt and revealed long standing weaknesses to make shareholders chary even of auditor's statements.

This company shows a very substantial item under the heading of "Inventory and other adjustments and income tax." In setting up its accounts it has deducted this item from the previous accumulated surplus and not from the year's profits. As no explanation is offered of the item, or what are the "other adjustments" the shareholders have no way of knowing whether or not this item has been properly treated in the accounts. The significance of the lack of information lies in the fact that the item in question represents enough to make a difference of $1 a share in earnings on the stock. Obviously shareholders will value their stock on the basis that takes into consideration the year's earnings, and a difference of a $1.00 a share is very important.

When a company suffers a loss, real or imaginary, this must come out either of the year's earnings or out of the previous surplus. Too often, writing it out of surplus account is the way of making the year's report look good, concealing the true situation. The only way that shareholders' suspicions in this regard can be allayed is to show all such items individually instead of lumped together as one item, and to offer somewhere in the report a more adequate explanation of what they mean.

In itself this incident is not important but as typifying an unfortunate trend in company finance it is of no small importance to investors generally.

SOVIET RUSSIA ENTICES CANADIAN ENGINEERS

WITH Soviet Russia enticing many of Canada's industrial experts and men of science she is obtaining ammunition with which to further her industrial war against Canadian products.

Recently, a chief engineer with 20 years' association with one of Canada's basic industries (a mineral industry producing 80 per cent of the world's output), left for Russia. There his 20 years' experience will be employed to help establish Russia on a competitive basis with Canada.

Russia's buying of Canadian and American brains to further her industrial programme presents a problem which has yet to be solved. Seizing upon a time when many industrial plants in Canada are curtailing operations, Russia has been successful, by attractive offers of remuneration, in augmenting its staff of technical advisers. Unfortunately there is no embargo on the emigration of these experts, and any embargo on Russia's product into Canada avails but little in world markets.

To forestall the emigration of graduates from Canada's universities abroad and to assist in their home-coming, The Technical Service Council has been formed and is doing great work in finding positions in Canada for Canadians. It is realized that a real loss is to be incurred if the cream of our rising generation seek employment abroad. While the council bends its efforts to retaining this manhood, competition by Russia in bidding for them makes the problem more involved. The solution lies in developing home opportunities.

STRIVING FOR WINGS

APPLICATIONS from prospective pilots to join the Royal Canadian Air Force have almost deluged the Department of National Defence in the last few months and Hon. D. M. Sutherland, minister of the department, has referred to the number of would-be fliers as "phenomenal." While this struggle for wings may be, in part, a reflection of the unemployment situation it nevertheless is an interesting commentary on the keen interest in aviation in Canada. With the training facilities provided by the Air Force, pilots often seek this means as the first step toward a career in commercial flying. Like all young industries, commercial aviation holds potentialities for those with faith in its future; in Canada, especially, the field will prove particularly fruitful in years to come.

It is unfortunate that there should be restriction in air mail services at the present time. The development of these mail routes has given a great stimulus to commercial flying but the cost of pioneer work, involving, as it has, installation and maintenance of night flying and various other facilities, has been heavy. Even though the rapid expansion which has marked the progress of commercial aviation may be temporarily slowed up, a foundation has been established which is invaluable. Better times will witness a sharp forward movement in Canadian aviation; in the meantime there is evidently no lack of material for personnel.

EDITORIAL NOTES

Has the height of modesty and restraint in advertising been reached? An advertisement in the London Times says: "The best people dance at Handley's when at Southsea. Band not bad."

* * *

The "free-lot" racket and the "feed 'em and fool 'em" game have both been banned from real estate promotion in Ontario. Other provinces might well follow the example of the Ontario government in licensing real estate operators and controlling their activities. Incidentally, Ontario's real estate law was sought and largely framed by the recognized realtors of the province.

* * *

Canadian Chamber of Commerce will go to Churchill in the fall and will no doubt be disappointed when they find that it does not quite fulfil the promise of the title a New York paper gives it—"a new city in the Arctic." New Yorkers' idea of where the Arctic runs is as vague as most Canadians' idea of where the Equator is.

POST-scripts

EVEN in the answers to questions in the House of Commons there is occasionally something of human interest. For instance, this description of the famous "Three Villages" of Quebec and Vermont, that appeared in an answer given by Hon. H. H. Stevens to a question from Charles B. Howard, M.P., of Sherbrooke.

"Mr. Downing (census enumerator for Rock Island) is a Canadian, born in the country of Compton; his place of business and his post office address are at Rock Island, P.Q. At this point there is one community known as "The Three Villages" made up of Stanstead and Rock Island in the province of Quebec and Derby Line in the state of Vermont. The entire population forms one community and the same churches, schools, moving picture theatres and railway station are used by the entire population. For example there is an ice skating rink at Derby Line, a roller skating rink at Stanstead, a golf course at Stanstead, an Odd Fellows hall at Derby Line, a Masonic lodge at Stanstead, and an opera house half in Rock Island and half in Derby Line. The public library is also situated on the line as well as the buildings of some of the residents."

The answer incidentally relates to a question concerning the census enumerator for the district. We gather that this census enumerator has quite some job on his hands and would not be surprised if a few people were to be counted by both Uncle Sam and Jack Canuck.

THE amazing speed of these world flights does indeed arouse the imagination. When Post and Gatty took a little while to make up their minds as to whether they would jump from Alaska to Edmonton or to Cleveland it was apparently with the nonchalance that characterizes the motorist's question "Shall we eat in London or Woodstock?"

There is one thing about their flight that mystifies us. They were enjoying the cool breezes of Alaska when it was about 100 in the shade in New York. Yet instead of staying where they were until the heat spell broke down east they flew to New York to arrive in the midst of a sweltering inferno. We would have stayed in Alaska.

New Books

Banking, Prices and Trade Statistics

In view of the plethora of statistical information available at the present time on various phases of Canadian commerce and finance, it may come as a surprise to many who use these data constantly, that such material is of largely post-war origin and that prior to the war, and more particularly for the period prior to the turn of the century, very little if any reliable data is available which traces the course of business in this country.

To fill this need and to provide a solid basis upon which students and statisticians can build in the future, there have been published two volumes entitled "Statistical Contributions to Canadian Economic History." Volume I, is edited by C. A. Curtis of Queen's University and is devoted solely to statistics of Canadian banking, while volume II is edited jointly by Professors Humfry Mitchell and Kenneth W. Taylor of MacMaster University, the former having contributed a most valuable study of commodity and other prices in Canada since 1948, while the latter has analyzed for the first time Canada's foreign trade statistics from 1869 to 1915.

These three fields, namely, prices, banking and foreign trade have been chosen at the outset because of their importance and because they required the greatest labor and judgment in order that they be presented in reliable and convenient form. Analysis of data presented has not been pushed very far, the idea being, for the time being, at least, to merely lay the foundation of future economic studies by presenting in intelligible and usable forms, records which are not available in any single library.

This has been done apparently with great care and accuracy and accordingly these two volumes may be considered unique as a source of statistical light on Canadian economic history.

Published by MacMillan's in Canada (Limited Edition). Price $10 the set.

As Others See Us

But We're Not Unfriendly

Revelstoke, (B.C.) Review: "Premier To Drop Financial Post" says the Calgary Herald in a headline. After "The Financial Post" has been criticizing Mr. Bennett's election promises, one would imagine that he had dropped it long before this.

Our Tariff Tactics Resented

Journal of Commerce, New York.—Canada's action during the time the Hawley-Smoot bill was being discussed by Congress was noteworthy in that, unlike so many European countries, no official protest was made to our Government. Such action was based upon the conviction that every nation has the right to legislate in the interests of its people alone, and that foreign interference is unwarranted. For that reason Canadians especially resented the tactics of certain American deputations that visited Ottawa to protest increases in duties that would affect their exports to Canada.

Commenting upon this situation The Financial Post says: "Canadian producers have never sent large deputations to Washington to protest. They have made no threats. They feel that successive United States governments are perfectly justified in doing what they think is in the interests of Americans generally." Such being the case, Canadians believe that Americans have not understood their attitude and that the tactics displayed by their representatives at Ottawa were not according to the Canadian conception of "playing the game."

Praise For Mr. Bennett

Quebec Chronicle-Telegraph.—As a financial publication, The Financial Post of Toronto professes to be politically independent but, while it is certainly far from being a partisan organ in the sense of openly espousing a particular cause, it has at all times shown a marked sympathy with the late Liberal Administration and has seldom missed an opportunity of criticizing men and measures on the Conservative side—always with an air of judicial impartiality that might easily mislead the unwary. When this publication, therefore, finds words of praise for Mr. Bennett at a time when he is under heavy fire from Liberal propagandists, we may be sure that it is sincere in what it says and the tribute has particular value.

As a sizing up of the general situation at Ottawa, it would be hard to improve upon the leading article published in the Post's current issue. And we invite all those who are dissatisfied with conditions to read and reflect upon this striking testimony to Mr. Bennett's work "against heavy odds."

It is indeed mere truth that no one could have done any better than Mr. Bennett and that few could have done half as well, under the same conditions—for which, be it marked, he is in no way responsible. The gulf between acute depression and prosperity cannot be bridged in a few weeks or a few months, particularly when there are world factors to contend with, and Mr. Bennett's stewardship can only be judged fairly and accurately by the results he is able to obtain inside of the next four or five years.

A Friendless Tax

Brockville Recorder & Times.—Following protest on the part of the Investment Bankers' Association of Canada against the proposal in the Budget to place a two per cent tax on dividends of Canadian stocks held outside Canada, The Financial Post publishes an article in which it wholeheartedly condemns the proposal and pleads for its repeal.

It must be remembered that, without the capital that has flowed so freely to Canada from foreign countries during recent years, Canadian development would not begin to approach that which has taken place. For much of the progress that has been made in the industrial, mining, pulp and paper and electric power fields foreign capital has been responsible. Where would the automotive industry stand in Canada, for instance, if American capitalists had not brought about the establishment of branch plants in this country? How many of the waterpowers of Canada would have been developed if foreign capital had not taken a hand in that development? The plain fact is that Canadians by and of themselves could never have financed the great projects that have had their birth in this country during the past few years and that inevitably they have needed, to rely upon external assistance in carrying those projects to completion.

What must also be remembered is that, in spite of the development that has taken place in Canada, more foreign capital is needed if full advantage is to be taken of the opportunities which this country still possesses. More and more Canadian projects are being financed by Canadian capital, but still it is necessary to lean to a certain extent upon foreign capital and, as a matter of fact, representatives of the Government (such as the Hon. G. Howard Ferguson) are frequently at pains to point out to the capitalists of other countries that Canada is a profitable field for enterprise and can very well absorb more of their dollars or pounds sterling.

Imposition of a special levy of two per cent upon the dividends resulting from investments thus solicited is scarcely likely to result in a continuation of the flow of capital to Canada's shores for investment in the development of her resources. At a time when Canada is asking foreigners to invest their funds in Canadian development and when Canada sorely needs the funds which would thus be placed in circulation, it does seem most peculiar that the Government should place an obstacle of this type in the way of such movement of capital.

Who can tell if, these things considered, the Government may not decline that it has made a mistake in imposing this tax, which seems to have no friends whatever, and if it may not reach the conclusion that, like so many other proposals made in the Budget, it is better discarded.

"Stop Me If You've Heard This One"

When a stylish new pair of shoes were shown to him, he refused to choose any of them.

"I must have square toes," he explained to the bootshop assistant.

The young man sighed wearily.

"But square toes are not stocked now, sir," he replied. "Pointed toes are absolutely fashionable this season."

The stout man gave him an angry glance.

"That may be," he retorted, "but I happen to be wearing last season's feet."

Son of One of "First Families" Has Faith in Canada's Future

Military Gazette, Ottawa

In our last issue we wrote under the title "Unjustifiable Pessimism." So deep is the gloom into which we have all fallen that it will take many such articles, written in papers of much wider circulation, to banish this mental disease, for we can describe it as nothing else.

We do not apologize, then for writing again along the same lines, this time reinforced by the contribution of one who may well be described as of the "first families," since he is an Indian, a member of the Delaware tribe, whose reserve is situate near Hagersville, in the county of Haldimand, Ontario, Mr. Moses Montour, to wit.

This man has a right to speak, for he is a good Canadian.

Early in the war he enlisted as a volunteer in the 114th Battalion. The Indians contributed a full company, including five officers, to this unit, and proved themselves excellent soldiers.

Mr. Montour's article, entitled "Land of Plenty," appeared in the Hamilton Spectator:

Land of Plenty

To the Editor: When I read of the stress and turmoil of other countries, I am glad we live in Canada. This is a land of peace, which has not seen a war of any kind since the Fenian raid of the past century. In that raid my grandfather with a lot of other volunteer braves walked from the surrounding district to defend their country. As they were not needed they were thanked and dismissed.

Of course, the grandchildren of these volunteers went across the ocean to see what the last great racket was about. What they saw there was plenty. But as for Canada being discontented, I fail to see where there is any cause for Canadians to start a row about anything.

We truly live in a land of plenty, where these Scripture words apply, "Ask and ye shall receive." We have only to let our wants be known and some fellow-Canadian will be willing to help us over the rough spots. In this land of opportunity there are ways and means of helping one until better times come. To each one is open the high road to influence and leadership in this land of the maple.

Now if I were to stand on the street corner and shout that I have been in Canada two years and thereby am a full-fledged Canadian, but am starving, people would hurry out of my hearing as rapidly as possible. On the other hand, if I were by hard work to climb the ladder of progress and achievement and found the going hard, I know there would be many to give me help and encouragement. The help I would get would probably be from some fellow-Canadian who has himself started up from the bottom.

Is the solution to our present problem of depression not along the line of a truer perspective and a broader vision? Realizing that our country raises everything for our own use and for export, and that her resources are almost without limit, why not adopt the attitude of our pioneer forefathers, and work together to build up the country? They had no relief officer to appeal to in emergency, but they worked, believing in the future greatness of the country. This attitude and co-operation with our present government would do more to lift us all over the present depression than calamity-howling, which only deepens the gloom. Yours for the common good.

—MOSES MONTOUR.

Cost of Experience

Wall Street Journal, New York

Three western provinces of Canada—Alberta, Manitoba and Saskatchewan—will have to pay about $22,000,000 for a lesson in the so-called "orderly marketing" of wheat. Like other teachings of experience, the lesson was costly, but if well learned, it may be worth the cost.

Wheat is so distributed over the world that no country has a monopoly of it; being grown in a wide range of latitude and in both the northern and southern hemispheres, the ripening period is spread well over the year. Consequently, each of the principal exporting countries has a well-defined period for its heaviest shipments. Knowing this, experienced grain men do the bulk of their shipping within those periods, one surplus part of the world following hard on the heels of another. This is orderly marketing because it conforms to the order of nature.

The co-operative marketing theory, however, is that this is disorderly marketing, and orderly marketing according to this theory includes a 12-month shipping, or else holding for a higher price. Both the Canadian Pool and the Federal Farm Board in 1929 adopted the holding movement even though the world was well supplied with wheat; they speculated on the possibility of a crop failure in 1930. The Canadian Pool borrowed money from the banks, with an agreement to keep a certain margin between loans and market price of wheat.

Their speculation went wrong and the time came when the Pool could not keep up its margin requirements, and an appeal for help was made to the provincial governments. Those governments guaranteed the banks against loss, and now face the necessity of handing the banks their bonds to the total amount of about $22,000,000. Farmers who did not market their wheat through this system must now join with the others in paying the cost of this speculation.

If misery loves company western Canada can look toward the United States where the same folly is being reenacted on a larger scale. We, too, did some "orderly marketing" not only in wheat, but in cotton, wool and other products. We do not know yet what the direct cost will be, but from the effect it is having on new crop prices, it is a safe assumption that the indirect will be larger than the direct cost. But if our legislators learn anything by this experience the expenditure will not have been in vain.

Province Has Grazing Facilities

Grazing facilities for over 5,000 head of cattle are available in the forest areas of Saskatchewan according to a survey made by the Department of Agriculture in co-operation with the Department of Natural Resources.

Alberta Fisheries Thrived in 1930

Alberta fisheries authorities [illegible] that more than 2,211,000 pounds of fish were caught by anglers in the province in 1930, or several hundred thousand pounds more than in 1929. Pike made up about half the catch.

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An Informative List

The amounts involved in the settlement of German Reparations and International Debts owing to the United States are clearly shown in a special diagram in our July list of investment recommendations.

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The Week in Business

Prairie Rains Permit Summer Fallow
Sale Psychology Boosts Business
Commodity Prices Forecast Upturn

SOAKING rains across the three prairie provinces during the past week have at last brought relief to thousands of parched acres, but whether or not the rain arrived in time to be of any material assistance in salvaging the 1931 wheat crop, remains to be seen. Judging by the wheat market which reacted only a cent or two a bushel, the rain came too late to more than stem the tide of devastation for this year. However, in the opinion of expert observers it will at least enable valuable summer fallow work to be done which many feared would be impossible if the drouth persisted many days longer. This is a vital part of good farming routine and now that it can be done it will conserve moisture and destroy weed growth that otherwise might have had an adverse effect on the 1932 outlook.

ALTHOUGH both production and prospects in the heavy and basic industries are at a low ebb, the encouraging feature of business in most parts of Canada is the excellent public response to retail offerings at low prices. Sales of merchandise are the order of the day for it seems to be the almost unanimous experience of retail merchants that the lure of low prices is bringing splendid response among retail buyers, particularly as affecting personal merchandise. Without this stimulus, business is quiet.

A good example of this is said to be shoes. Leading merchants and department stores report an exceptional demand for shoes in recent weeks especially when they are vigorously merchandised. This is amply borne out by the latest statistics of production reported by the Dominion Bureau of Statistics, returns from 163 factories in Canada showing that May production was larger than the output of any previous May since 1927, the first year in which the record was compiled. Actual production was 1,740,792 pairs a gain of 70,875 pairs over April and 215,854 pairs more than May, 1930. Cumulative production for the first five months of the year is nearly 30,000 pairs above 1930. A similar experience is noted in the U. S. A. where instead of the natural decline, May shoe production was 18 per cent above the same month a year ago.

ANOTHER forerunner of returning business improvement is the trend of commodity prices. Only a few days ago, the Wall Street Journal published a leading editorial, entitled "One Wee Swallow" which drew attention to the fact that at last Fisher's index of wholesale commodity prices had turned upward, standing at 70.3 for the week ending June 26, as against 70 the previous week. "Even as one swallow" it said, "is not regarded as the herald of summer so this advance cannot be accepted as assurance that the bottom has been reached in the downward sweep of prices. But it gives hope that the downward course that has been proceeding all too rapidly has been arrested and may turn upward." Similarly the New York Annalist index has now made three consecutive weekly gains and stands 1.7 points above its post-war low of 100.5, reached on June 9.

Thus with a new half-year period under way; with commodity prices definitely indicating stability and perhaps recovery after a two-year decline; with retail sales showing definite response to the low price stimulus, and the general tone of world business decidedly better as a result of the success of the Hoover moratorium plan, the business stage would seem to be moving surely toward recovery.

Business Conditions in Canada

BUSINESS SLACK IN NEWFOUNDLAND EXCEPT AT MILLS

Salmon Export Cut; Mining Curtailed; But Paper Mills Busy

Trade in Newfoundland during the past quarter has been somewhat curtailed in comparison with former years and there is considerable unemployment, according to recent advices form St. John's.

Local factories are reported to be operating at about 50 per cent capacity, which is below the average for this season of the year. Supplying for the fishery is on a reduced scale in some districts, though as the cost of outfitting is lower than last year an average catch should provide good results.

No legislation of importance was enacted at the recent session of the House of Assembly. Authority was granted to secure a new Government loan of $8,000,000, but no bids were received for the bonds when advertised. This resulted in a run on the Government Savings Bank on May 26, about $150-160,000 being withdrawn, but confidence has gradually been restored and business in that institution is at present more or less normal. A good percentage of the money withdrawn in May was immediately deposited in the Canadian banks.

Bank Fishing Good

Newfoundland fisheries industry continues on a lower scale. Internal troubles in those European countries to which codfish is largely exported have caused a reduction in the consumption, which is below the average. The Brazil market remains fairly firm, the recent strengthening in the exchange situation assisting. Vessels out of Grand Bank and Fortune have landed about 12,000 quintals and it is expected that this quantity will be doubled. Fish already landed are practically ready for export, and reports indicate that more care is being taken with the cure while the weather on the south-west coast has been propitious, so that a generally higher quality is anticipated.

Prices for codfish prevailing some of the best markets make interesting comparison with those of last year. In Oporto, large and medium, old, is selling at 35s. per quintal as against last year's 35s. to 38s. In Brazil, 35s. to 37s. per drum compares with 45s. last year, and in the West Indies, $16 to $20 per cask as against $20 to $25 per cask (f.o.b. prices) in 1930.

While some sections of the salmon fishery have been very good, opening earlier than usual, local exporters' operations are considerably curtailed owing largely to competition of Siberian salmon in the English market. The value of the seal catch dropped from $405,809 to $120,000 this spring, about one-third the number of seals being taken as compared with last year. Cod liver oil production will be smaller, there being a quantity still on hand, while prices in foreign markets are low.

Pulp and paper industry provides a bright spot, however, the mills at Grand Falls and Corner Brook operating at capacity.

Iron ore mines on Bell Island, which had been operating on half time, are now closed down for an indefinite period. Shipments are continuing until reserves are reduced and contracts for current year completed. Ore mined to May 30 was 323,147 tons as against 574,644 tons to the same date last year. Shipments to that date were 43 per cent lower at 152,218 tons.

Lead and zinc mining operations at Buchans are also considerably curtailed, about 300 men being employed compared with a normal of around 1,000, and the outlook for the remainder of the year is indefinite.

Canned Goods produced in Canada in 1929 totalled $54,000,000. Total canned vegetables, exclusive of soups, packed in British Columbia in 1930 amounted to 1,274,672 cases, and fruits 176,798 cases. Total British Columbia production, vegetables and fruits, was 679,156,000 lbs., valued at $14,782,985.

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Rains Give New Hope to West

	Canada	United States
Commodity Prices:	Wholesale prices drop .8 to 72.2 in June.	Prices appear on upturn though wheat, corn and meats recede.
Iron and Steel:	Rail and motor plants enter summer lull—fall prospects uncertain.	Ingot production drops to 35 p.c. capacity—prices firmer.
Foreign Trade:	Australian treaty expected to stimulate trade in many lines.	Permanent partnership of U. S. in European affairs seen from Hoover move.
Car Loadings:	Weekly figures 20 p.c. below 1930; six months total off 18 p.c.	Current loadings off 19.7 p.c.; six month figures off 18.8 p.c.
Stock Markets:	Current corporation events have little effect on trading.	Profit-taking causes price decline following success of Hoover plan.
Credit:	Bank debits in May only 7.5 p.c. below May, 1930.	Check payments decline to lowest level since February.
Week's Highlight:	Rains in Western Canada offer some relief to critical condition of Prairies.	Probability of decision on rail rate application unlikely before winter.

Trade in Farm Products Drops 29 p.c., 1930-31

Decline in Canada's Export and Import Trade With U. S. A. is 45.5 Per Cent, With U. K. 25 Per Cent

Canada's trade in farm products, both imports and exports, showed a decline of 28.8 per cent in the fiscal year ending March 31, 1931, as compared with 1930, according to a special report prepared for the monthly Bulletin of Agricultural Statistics, Ottawa.

Imports of farm products, of which the basic raw materials are such as Canadian farms produce, were reduced during the fiscal year ending March 31, 1931, to $145,732,632—31 per cent below the value imported during the preceding year. Of this total, raw materials imported declined 35.8 per cent, partly manufactured goods, 22.7 per cent and fully or chiefly manufactured products, 29.3 per cent.

Exports fell to $309,487,523, or 27.7 per cent less than the 1930 value, a reduction fairly general to the whole list of commodities. In a large number of items the decreases are due in larger measure to the decline in average values or prices than to a diminution in the quantities imported or exported. In this connection, particular mention may be made of the exports of wheat and wheat flour. Exports of wheat decreased in value from $215,753,475 in 1930 to $177,419,769 in 1931, although the number of bushels exported increased from 177,006,369 to 217,243,037. The value of wheat flour exported, declined from $45,457,195 in 1930 to $32,876,234, while the number of barrels exported in 1931 was 7,218,188, only 675,772 less than the 7,893,960 barrels exported the year before.

Butter Imports Cut

Greatly reduced butter imports, both in quantity and value, were recorded in 1930-31, these dropping from 42 to 16½ million pounds, representing a decline from $14,471,688 to $4,786,521 in value. Whisky imports receded nearly $7,000,000 to $21,510,405.

Trade in farm products with both the United Kingdom and the United States showed declines in the last fiscal year as compared with 1930. Imports from the United Kingdom amounted to $59,235,159 as compared with $79,315,928 in 1930, or 25.3 per cent less, and from the United States to $50,557,870 as compared with $78,543,343 in 1930, a drop of 35.6 per cent. Exports to United Kingdom decreased 25.4 per cent to $153,874,661 in 1931, while those to United States declined 54 per cent to $42,378,616.

The bulk of the trade in farm products continues to be with these two countries, United Kingdom in 1930-31 accounting for 46.6 per cent of the imports and exports combined, and United States 20.4 per cent.

Canadian Trade in Products of Farm Origin, Years Ended March 31, 1930 and 1931

Classification	Total Trade 1929-30	Total Trade 1930-31	Change	With U.K. 1930-31	With U.S.A. 193-31
Imports:					
Field Crops—	$	$	%	$	$
(a) Raw materials	50,437,405	33,455,172	—33.7	558,770	22,621,019
(b) Partly manufactured	1,095,275	633,650	—42.1	22,445	487,765
(c) Fully or chiefly manfd.	56,153,632	42,393,892	—24.5	30,021,747	7,313,334
Total field crops	107,686,312	76,482,714	—29.0	30,602,962	30,422,118
Animal Husbandry—					
(a) Raw materials	19,339,846	11,330,756	—41.4	1,859,457	6,385,026
(b) Partly manufactured	13,652,280	10,764,398	—21.1	3,057,509	5,017,056
(e) Fully or chiefly manfd.	70,557,674	47,154,764	—33.3	23,715,231	8,733,670
Total animal husbandry	103,549,800	69,249,918	—33.1	28,632,197	20,135,752
All Farm Products—					
(a) Raw materials	69,777,251	44,785,928	—35.8	2,418,227	29,006,045
(b) Partly manufactured	14,747,555	11,398,048	—22.7	3,079,954	5,504,821
(c) Fully or chiefly manfd.	126,711,306	89,548,656	—29.3	53,736,978	16,047,004
Total farm products imported	211,236,112	145,732,632	—31%	59,235,159	50,557,870
Year 1929-30	....	....		79,315,928	78,543,343
Exports:					
Field Crops—					
(a) Raw materials	261,624,808	203,736,420	—22.1	116,422,583	18,859,662
(b) Partly manufactured	79,582	292,246	+67.2	929	205,119
(c) Fully or chiefly manfd.	88,795,291	65,927,069	—25.7	19,517,072	8,095,447
Total field crops	350,499,681	269,955,735	—23.0	135,940,584	27,160,228
Animal Husbandry—					
(a) Raw materials	38,195,376	13,059,537	—65.8	1,246,936	9,871,350
(b) Partly manufactured	7,163,657	4,494,544	—37.3	1,062,592	3,080,791
(c) Fuly or chiefly manfd.	32,493,800	21,977,707	—60.0	15,624,549	2,266,047
Total animal husbandry	77,852,833	39,531,788	—49.2	17,934,077	15,218,388
All Farm Produce—					
(a) Raw materials	299,800,184	216,795,957	—27.7	117,669,519	28,731,012
(b) Partly manufactured	7,243,239	4,786,790	—31.9	1,063,521	3,286,110
(c) Fully or chiefly manfd.	121,289,091	87,904,776	—27.5	35,141,621	10,361,494
Total farm products exported	428,352,514	309,487,523	—27.7	153,874,661	42,378,616
Year 1929-30		....	....	206,212,227	92,13,788
Total trade in farm products	639,588,626	455,220,155	—28.8	213,109,820	92,936,486
Total trade (U.K. and U.S.A.) 1929-30	... ...	... ...		285,528,155	170,677,131

APRIL RAIL REVENUE LOWEST SINCE 1922

Gross Income Off 16 Per Cent While Net Drops 34 Per Cent

Gross revenues of Canadian railways for April, amounting to $30,912,358, were less than for any other April since 1922 and were less than for April, 1930, by almost 16 per cent, according to Department of Trade and Commerce statistics.

Total operating expenses showed a reduction of $4,437,715 from last year, while operating income was $1,374,084 or 34 per cent lower. Passenger traffic is stated to have been the lightest in the past ten years and the passenger-mile figure but two-thirds of that for April last year.

For the four months ended April 30, gross revenues at $45,929,689 were 14.75 per cent less, and the operating income at $4,505,751, over 19 per cent less, than the corresponding figures for the same period last year.

Comparing the two main railway systems, total revenue for April of the C. N. R. excluding the Eastern Lines, amounted to $12,394,732, or 15.68 per cent less than for April, 1930; total revenue of the C.P.R. was $11,991,947, or 15.76 per cent below the previous April. The C.N.R. reduced operating expenses by $1,433,442, operating income for the month being $396,134. The C.P.R. operating expenses were down $2,179,949, and operating income was $1,607,876. The total train-miles operated were: C.N.R. 3,109,029, and the C.P.R. 3,245,779 train-miles. Both systems operated about 300,000 train-miles less than in April, 1930. Both also showed a reduction in the number of tons of revenue freight carried, the C. N. R. totalling 2,524,027 and the C. P. R. 2,088,115 tons, the former sustaining a decrease of 416,533 and the latter a decrease of 211,483 tons.

Output of Sugar Refineries in Excess of That for 1930

Total amount of refined sugar manufactured for the four week's period ending May 23, was 76,655,478 lbs., an increase of about 8½ million pounds over the corresponding period last year. The total production for the year to date was 242,192,048 lbs., or approximately 16,000,000 lbs. higher than the manufactures to the same date last year.

Imports of raw sugar this year, to May 23, showed a 35 per cent increase in weight over the same five months 1930, while imports of refined sugar were less than one-seventh of those of last year. Exports of Canadian refined sugar for the year to date were only 50 per cent of those for the same period last year.

Wheat Stocks at June 26 amounted to 119,498,016 bushels, being 2.5 per cent below amount on hand at the end of the previous week and 5.7 per cent lower than at June 20, 1930. Other grains in store totalled 35,833,207 bushels compared with 36,420,568 bushels at the end of the previous week and 40,419,986 bushels at the same date last year.

VALUE OF FISHERIES OFF 10 P. C. IN 1930

Dominion Total $48,000,000 —B. C. Catch Up 52 P.C. But Value Lower

The total value of Canadian fishery products marketed in 1930 was $47,798,920, of which sea fisheries contributed 87 per cent and inland fisheries 13 per cent, according to a preliminary report issued by the Dominion Bureau of Statistics in conjunction with the Department of Fisheries. This compares with $53,518,521 marketed in 1929.

Salmon fisheries supplied 37 per cent of the Dominion total, the main product being canned salmon, principally from British Columbia, where the catch was much above the average and 52 per cent higher in quantity than in the preceding year.

Lower prices ruled in 1930 for both canned and fresh fish, as instanced by the fact that the marketed value of British Columbia production increased by only 18 per cent. Almost all other principal kinds of fish showed decreases in marketed value compared with the previous year.

Lobster and cod rank second and third in importance with total marketed values of $5,214,643 and $4,288,813 respectively, the former being 8 per cent and the latter 20 per cent lower than for 1930.

The relation which each province bears to the total value of production for the Dominion is shown in the following percentages: British Columbia, 48.33; Nova Scotia, 21.78; New Brunswick, 10.16; Ontario, 6.89; Quebec, 5.24; Manitoba, 3.78; Prince Edward Island, 2.39; Alberta, Saskatchewan and Yukon territory, all under one per cent.

NEW BRUNSWICK DRAWS TOURISTS

Number of Motorists This Year Setting New Record

MONTREAL.—Motor tourist traffic entering New Brunswick up to May 31 this year shows an increase of 84 per cent over that for the corresponding period of 1930.

In view of the fact that large increases were also recorded last season, the present figures are looked upon as being indicative of a record tourist business this year.

Total entries of United States automobiles in New Brunswick up until May 31, 1931, reached 174,014 as compared with 116,384 in 1930. For a period varying from 24 hours to 60 days the figures for the present year are 5,209 as against 2,826 for last year. The grand total for the period gives 179,234 entries in 1931 and 119,216 in 1930.

The most favorable feature of the showing this year is a practical doubling of the number of entries for the period between 24 hours and 60 days.

June Employment Fails to Make Usual Gain

While employment at the beginning of June showed some improvement in comparison with May 1, the seasonal increase for this month of the year was much below that of 1930 and 1929, according to data tabulated by the Dominion Bureau of Statistics from reports from 7,865 firms throughout Canada.

Payrolls carried an aggregate of 940,875 employees as compared with 927,437 on May 1, showing an increase of 1.4 per cent. This compares with an increase of 4.7 per cent in 1930 and 5.4 per cent in 1929, while the actual number employed is less than those for the same date in the four preceding years.

Large increases were registered in construction, while advances were also reported in transportation, trade, services and communications. Curtailment of employment occurred in manufacturing, logging and mining operations.

The best expansion was reported from Quebec area and the prairie provinces.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1931	Weekly Latest 1930	Cumulative Jan. 1, to date 1931	Cumulative Jan. 1, to date 1930
C. P. R. Gross Earn. (June 30)	$ 3,922,000	$ 4,705,000	$ 70,501,000	$ 85,076,000
C. N. R. Gross Earn. (June 30)	$ 4,919,050	$ 5,969,864	$ 89,275,626	$ 109,911,091
Car Loadings (June 27)	50,427	63,013	1,257,845	1,530,864
Common Stock Index (July 2)	86.4	187.2	....	....
	Monthly			
Production—				
Pig Iron, tons (May)	50,511	80,505	243,400	385,105
Steel, tons (May)	75,335	99,312	406,272	541,292
Newsprint, tons (May)	202,607	237,681	942,725	1,070,848
Automobiles (May)	12,738	24,672	59,250	95,595
Boots and Shoes, pr. (May)	1,740,792	1,524,938	7,402,528	7,374,139
Flour, bbls. (May)	1,183,280	1,393,982	5,527,658	6,047,304
Mineral Production—				
Gold, oz. (April)	223,082	169,166	824,808	632,487
Silver, oz. (April	1,685,842	2,568,017	7,801,929	7,983,672
Nickel, tons (April)	2,067	5,095	12,843	18,494
Copper, tons (April)	13,922	12,754	49,092	51,978
Lead, tons (April)	16,119	13,825	53,902	58,343
Zinc, tons (April)	11,353	10,090	43,436	40,484
Coal, tons (April)	888,312	907,451	4,078,325	4,882,548
Natural gas, M. cu. ft. (April)	2,454,063	2,433,026	11,380,924	12,516,885
Petroleum, bbls. (April)	153,705	102,385	649,425	412,142
Automobile Financing—				
Used Cars (April)	$ 2,863,878	$ 4,270,487	$ 7,244,184	$ 10,167,374
New Cars (April)	$ 3,354,395	$ 4,225,160	$ 7,074,725	$ 9,592,073
Construction—				
Building Permits (May)	$ 11,868,171	$ 20,321,160	$ 49,001,536	$ 66,792,498
Contracts (June)	$ 29,793,400	$ 54,728,200	$ 162,937,600	$ 240,626,000
Labor—				
Employment Index (June)	103.6	116.5	......	......
Trade—				
Imports (May)	$ 73,457,404	$ 101,544,817	$ 301,402,000	$ 451,770,000
Exports (May)	$ 59,832,245	$ 77,260,557	$ 237,372,000	$ 357,797,157
Imports of Key Products—				
Rubber, lbs. (May)	6,154,536	5,809,139	25,684,371	30,829,054
Cotton, lbs. (May)	8,405,000	7,056,000	40,940,000	40,944,000
Sugar, raw, lbs. (May)	149,907,300	98,646,300	312,344,400	231,967,100
Petroleum, crude, gal. (May)	107,208,711	99,212,897	346,986,755	363,503,168
Coal, tons (May)	1,191,017	1,373,573	4,167,411	6,739,905
Exports of Key Products—				
Newsprint, tons (May)	185,431	225,251	835,934	973,281
Automobiles, No. (May)	1,512	3,024	9,228	19,880
Wheat, bus. (May)	29,521,699	13,466,884	67,103,690	40,214,646
Wheat flour, bbls. (May)	481,265	2,988,963	2,174,964	5,104,530
Electric Power—Output—				
M. Kilowatt hours (May)	1,359,772	1,544,627	6,999,405	7,515,336
Population—				
Emigration (May)	612	4,216	5,469	21,679
Immigration (April)	3,201	19,309	8,523	41,214
Finance—				
Failures, No. (April)	175	194	781	861
Failures, Liabilities (April)	$ 3,081,427	$ 5,025,102	$ 15,026,005	$ 21,401,776
Bank Debits (May)	$3,171,603,100	$3,426,869,070	$18,731,605,923	$15,627,429,158
Bond Sales (May)	$ 23,179,264	$ 100,996,711	$ 272,530,587	$ 292,677,324
Insurance sales (May)	$ 41,314,000	$ 50,085,000	$ 215,275,000	$ 245,407,000
Wholesale Prices (1926=100)—				
General Index (June)	72.2	88.0	......	......
Iron and its products (May)	87.5	9.14	......	......
Cotton, raw	53.7	93.9	......	......
Grains	42.0	76.2	......	......
Live stock	77.9	131.6	......	......

1930 Profits $400,000,000 Says Bennett

In 1930, Canada had 22,742 corporations with a total invested capital of $8,442,229,420, according to figures supplied by Prime Minister R. B. Bennett from corporation income tax returns and submitted to the House of Commons last week. Wages and salaries from these concerns reached the huge total of $1,248,188,000 in that year while the net gain of corporations assessable for income tax was $403,428,323 against which must be set the net loss of non-assessable companies which amounted to $98,063,000. The total net gain for all corporations was therefore $305,364,756.

The number of companies which made a net gain on operations during the year and were therefore taxable, was 7,415 with a capital of over $5,758,000,000. The corporation tax payable by these companies was over $31,000,000 while wages paid amounted to nearly $860,000,000.

Companies which made a net loss and were therefore non-assessable numbered 15,327 and had invested a capital of $2,683,000,000. Wages and salaries in this group amounted to nearly $390,000,000.

It will be seen from the above figures that according to these income tax returns only one out of every three corporations in Canada made a net profit in 1930.

155 TRADE EDITORS SEE BETTER TREND

Find Inventories Liquidated and Foresee Replacement Buying Soon

That business is now at the stage which usually precedes a general improvement, is the concensus of opinion among 155 editors of U. S. business papers whose views have been assembled in the eighth annual survey of the business outlook, and published this week by the National Conference of Business Paper Editors.

These 155 editors of technical, trade and professional papers find that there has already been an upward trend in production and distribution in certain fields, and voice the general opinion that inventories of raw materials and finished products are now liquidated, although there has been little or no profit at present prices, and that replacement buying cannot be delayed much longer.

Aggressive merchandising in which manufacturers and retailers have developed goods that will sell under present day conditions has, in the view of many of the editors, characterized business during the six months just closed.

Business Briefs

Car Loadings for week ending June 27 were 20 per cent below the corresponding week last year, the only increases recorded being in grain, 12½ per cent heavier, and a slight increase in livestock shipments. Coal, ore, miscellaneous, and l.c.l. merchandise all showed considerable decreases. Loadings were in the aggregate less than those for the previous week, ending June 20. Cumulative total to date is 17.83 per cent below 1930 and 29 per cent lower than 1929. Grain shipped to date is 12½ per cent higher than last year, the only advance recorded.

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Makers of FIVE ROSES FLOUR
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The regularity with which leaders in all fields of business buy and rebuy the Barrett Specification Roof does make it seem that it is the only roof in the world.

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DIVIDEND NOTICES

PENMANS LIMITED

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of July, 1931.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of August to Shareholders of record of the 21st day of July, 1931.

On the Common Stock, One Dollar ($1.00) per share, payable on the 15th day of August to Shareholders of record of the 5th day of August, 1931.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, June 29, 1931.

Medicine Hat Greenhouses, Limited

The regular quarterly dividend of 1¾ per cent for quarter ending July 15th, 1931, has been declared on the Preferred Shares of the Company, payable July 15th, 1931.

By Order of the Board,

F. MARTYN OLIVER, C.A.
Secretary.

DIVIDEND NOTICE
TRAYMORE LIMITED

Preference Dividend No. 17

Notice is hereby given that a dividend of one and three-quarters per cent for the quarter ending the 30th day of June, 1931, being at the rate of seven per cent per annum, has been declared on the Preference Stock of the Company.

The above dividend is payable on and after the 15th day of July, 1931, to shareholders of record at the close of business on the 10th day of July, 1931.

By Order of the Board.

E. J. SWIFT,
Secretary.

Toronto 2, July 7th, 1931.

THE MOUNT ROYAL HOTEL COMPANY, LIMITED

A dividend of one per cent (1%) on the Six per cent Preferred Stock of The Mount Royal Hotel Company, Limited, has been declared, payable June 30th, 1931, to Shareholders of Record at the close of business June 30th, 1931.

By Order of the Board,

M. A. THOMSON,
Secretary.

Montreal, June 30th, 1931.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

SOUTHERN CANADA POWER COMPANY LIMITED

Common Dividend No. 25

A DIVIDEND of Twenty-Five Cents (25c) per share, being at the rate of $1.00 per annum, on the NO PAR VALUE COMMON STOCK OF SOUTHERN CANADA POWER COMPANY, LIMITED, has been declared for the quarter ending July 31st, 1931, payable August 15th, 1931, to shareholders of record at the close of business July 31st, 1931.

By order of the Board,

L. C. HASKELL,
Secretary.

Montreal, June 26th, 1930.

MONTREAL TRAMWAYS COMPANY

Dividend Notice

NOTICE is hereby given that a Dividend of TWO DOLLARS AND FIFTY CENTS ($2.50) per share, for the Quarter ending the 30th June, 1931, has been declared upon the paid-up Capital Stock of the Company, to Shareholders of record on Wednesday, the 8th day of July, 1931, at 4 o'clock p.m., and payable on Wednesday, the 15th day of July, 1931.

By Order of the Board,

PATRICK DUBEE,
Secretary-Treasurer.

June 9th, 1931.

Hamilton Bridge Company, Limited

NOTICE OF PREFERRED STOCK DIVIDEND

Notice is hereby given that a dividend of 1-5/8% has been declared on the outstanding 6½ CUMULATIVE FIRST PREFERRED STOCK of Hamilton Bridge Company, Limited, for quarter ending July 31st, 1931, payable the 1st day of August, 1931, to Shareholders of record as at the close of business on the 15th day of July, 1931.

By Order of the Board.

F. G. Wilson,
Secretary.

Canadian Dredge & Dock Co. Limited

PREFERRED DIVIDEND No. 14

Notice is hereby given that the Dividend of one and three-quarter per cent (1¾%), being at the rate of 7% per annum, has been declared on the outstanding 7% Cumulative Sinking Fund Convertible Preferred Shares of Canadian Dredge & Dock Co. Limited, for the quarter ending July 31st, 1931, payable August 1st, 1931, to Shareholders of record at the close of business on July 16th, 1931.

By Order of the Board.

T. C. LUKE,
Secretary.

Canadian Dredge & Dock Co. Limited

COMMON STOCK DIVIDEND No. 12

Notice is hereby given that a dividend of Seventy-five Cents (75c) per share has been declared on the Common Stock of Canadian Dredge & Dock Co. Limited, for the quarter ending July 31st, 1931, payable August 1st, 1931, to Shareholders of record at the close of business on July 16th, 1931.

By Order of the Board.

T. C. LUKE,
Secretary.

Arrange For Cattle Shipments

Owing to the continuation of the export of cattle to England, new arrangements have been made by the Federal Department of Agriculture to ensure space in ocean vessels for 10,000 head from now until the close of the season of navigation on the St. Lawrence.

GT. LAKES PAPER FUTURE DEPENDS ON CONFERENCE

Allocation of Tonnage by Minnesota & Ontario May be Settled

Negotiations under way in Chicago, during the current week, between representatives of the National Trust Co. acting as trustee for the bondholders of Great Lakes Paper Co. and the receivers of Minnesota & Ontario Paper Co. will have an important effect, it is anticipated, on the ability of Great Lakes Paper Co. to resume interest payments on its 6 per cent first mortgage bonds which are outstanding to the amount of $10,000,000. The conference relates to allotment of newsprint tonnage to the Great Lakes mill and is a continuation of previous negotiations.

The company has been operating on a five-day week basis for some months on orders which have been passed over to it by Minnesota & Ontario Paper Co. The two newsprint machines of the company have been running at about 80 per cent of capacity and at this rate it is believed that the company can earn all bond interest charges. Since the company has no direct newsprint contracts of its own it has been dependent upon Minnesota & Ontario Paper Co. for orders to fill and upon the continuance of this agreement depends the action which may be taken by Great Lakes bondholders.

Might Contest Rights

Previous to the passing of Minnesota & Ontario Paper Co. into receivership on February 28, 1931, the Great Lakes Paper Co. was operating at good capacity on contracts made out in the name of Minnesota & Ontario or affiliated companies. Great Lakes Paper, with a low-cost mill was in an excellent position to handle this work to good advantage and though it had no direct contracts, there was no question as to allocation of tonnage. Since passing into receivership of Minnesota & Ontario Paper there has been some doubt as to the position of Great Lakes Paper Co. should the bondholders of committee M. & O. desire to keep all the work in their own mills. To date, negotiations for allocation of tonnage have been on an amicable basis and it is believed that this will continue. From sources close to Great Lakes Paper Co., however, it is understood that the company may have sufficient rights in the M. & O. contracts to warrant court action should orders be withdrawn from the Great Lakes mill.

Minnesota & Ontario Paper through affiliated companies, has a considerable stake in the preferred stock of Great Lakes Paper Co., while the Backus-Brooks Co. controls both. If the Great Lakes mill was to be closed through lack of orders the trustees for the bondholders would take prompt action since the bonds went into default on May 1 on failure of the company to pay bond interest due March 1. Minnesota & Ontario Paper Co. would be benefitted immediately by the increased tonnage for its own mills but would jeopardize its holding in Great Lakes Paper Co. If, on the other hand, the latter company is given sufficient orders to enable it to pay its bond interest, action by the bondholders would be withheld and Minnesota & Ontario shareholders would benefit in the long run.

Another development which can be expected shortly is the presentation of a survey made by G. T. Clarkson of the accounts of both companies for the fiscal period ended December 31, to date. The report is expected to indicate that Great Lakes Paper Co. can pay bond interest charges if operations are conducted at the present 80 per cent capacity basis or 80,000 tons of newsprint annually.

Public Utility Earnings

International Power

1st Quarter	1931	1930
Gross earnings	$1,171,216	$1,100,205
Oper. expenses	606,297	560,759
Net earnings	564,919	539,446

Jamaica Public Service and Subsidiary Companies

May—	1931	1930
Gross earnings	$ 68,455	$ 68,573
Net earnings	25,916	28,280
Surplus after charges ..	16,513	21,890
12 Mos. End. May 31—	1931	1930
Gross earnings	$845,631	$803,980
Net earnings	352,269	327,234
Surplus after charges ..	239,952	252,738

Dominion Stores June Sales Higher

Dominion Stores Ltd. report sales for the four-week period ending June 27 as amounting to $1,986,876, which is 8.7 per cent higher than for the corresponding period in 1930. This is the fourth month out of the six this year to show a gain over last year, and the increase is higher than in any previous month.

Total sales for the year to date now aggregate $12,797,567 as against $12,296,797 for the same period in 1930, the increase being $500,770 or a little better than 4 per cent. The total gain to the end of May was 3.26 per cent.

DIVIDEND NOTICES

Consolidated Industries, Ltd.

DIVIDEND NOTICE

Notice is hereby given that a dividend of Twenty Cents (20c) per share has been declared on the outstanding shares of the Capital stock of Consolidated Industries, Ltd., payable on the first day of August, 1931, to shareholders of record on the 15th day of July, 1931.

By Order of the Board.

J. W. PEART,
Sec.-Treasurer.

Dated at Toronto, this 11th day of July, 1931.

Calgary Power Company LIMITED

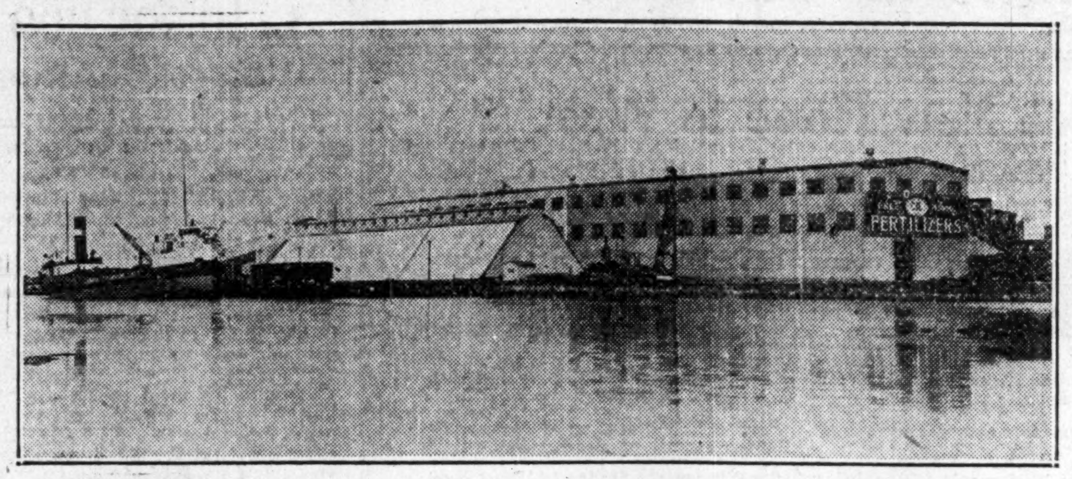
Preferred Dividend Notice

Notice is hereby given that a dividend of one and one-half per cent (1½%) has been declared on the Six per cent (6%) Cumulative Redeemable Preferred Stock of the Company, for the quarter ending July 31st, payable August 1st, to shareholders of record at the close of business on July 15th, 1931.

By Order of the Board.

L. G. PROCTOR,
Secretary.

Superphosphate Plant at Hamilton for Can. Industries



This new plant has just been put into operation at Hamilton, Ontario by Canadian Industries, to manufacture superphosphate for fertilizing. It will have an annual capacity of 75,000 tons of 16 per cent superphosphate and will manufacture by a new process, a new type of free-flowing superphosphate.

The plant is located on the waterfront with a dock for large steamers, and alongside an acid plant operated by Canadian Industries, the sulphuric acid from which will be used as a necessary material in the manufacture of superphosphate. The phosphate rock used in the manufacture of superphosphate is brought from Florida and Morocco and over 17,000 tons will be kept in storage at Hamilton to maintain operations in the plant.

The plant also has a capacity of 50,000 tons per annum of mixed fertilizers.

CAN. INDUSTRIES TO ERECT PLANT FOR CELLOPHANE

Will Spend $1,500,000 on Latest Chemical Unit in Quebec

From Our Own Correspondent

MONTREAL.—Canadian Industries Ltd. will erect a plant for the manufacture of cellophane at an initial cost of about $1,500,000. A definite decision with regard to the site has not yet been made; it will probably be located in the province of Quebec. Employment will be given to about 90 workers when the plant is in operation.

Decision to erect the new plant, the second large factory which the company has undertaken since the beginning of the year, is governed by the opinion that Canadian consumption of cellophane has reached a volume which permits its manufacture in Canada on the basis of current selling prices. Hitherto the product has been imported in large quantities.

Is Logical Development

Manufacture of cellophane is a logical development for Canadian Industries as many of the raw materials required for the process are already being produced at its various plants, and the additional output should have the effect of strengthening the company's general position.

Further, it is a natural industry for Canada since pulp is the main ingredient and the great bulk of other ingredients are made in the Dominion.

Obtains Canadian Patents

Canadian patents for the manufacture of moisture-proof cellophane have been acquired and the plant will be fully equipped for the manufacture of plain, transparent and moisture-proof cellophane in a wide variety of colors and finishings.

Canadian Industries recently opened a large superphosphate manufacturing plant in Hamilton, an indication of the expansion being carried out during the current year.

JENKINS BROS. PLANS NEW LACHINE PLANT

First Unit Will Comprise Foundry to Cost $500,000

From Our Own Correspondent

MONTREAL. — Jenkins Brothers, Ltd., manufacturers of valves and accessories, has commenced work on the initial unit of a complete new plant in Lachine. Construction of the whole will entail a total outlay of approximately $2,000,000.

The first unit will comprise a foundry building covering an area of 250 square feet affording about 62,500 square feet of floor space. It will house complete individual equipment for modern bronze and iron foundries.

An attendant steam power plant will also be erected, having an output of about 600 h.p. Total cost of the iron and bronze foundries will be in the neighborhood of $500,000.

Plan Comprehensive Plant

Subsequent plans call for erection of an additional unit of the complete new plant, consisting of iron and bronze machine shops, pattern shops, metallurgical laboratories for plant control and research and other buildings.

Jenkins Brothers was established in 1907 and has undertaken substantial expansion in recent years. Though there is no public investment interest in the company at present, Jenkins Brothers made a public offering of bonds in 1923. This issue comprised $500,000 of first mortgage 6½ per cent bonds, which were sold at 98.35 to yield 6.65 per cent.

Though the issue did not mature until 1943, all outstanding bonds were redeemed at 105 in October, 1928. As yet, there has been no intimation that the new plant will be financed publicly.

MOUNT ROYAL PAYS PREFERRED DIVIDEND

Disbursement of 1 Per Cent Made on Senior Shares

MONTREAL. — Directors of Mount Royal Hotel Co. have declared a dividend of 1 per cent on the preferred stock of the company. The dividend was payable on June 30 to shareholders of the same date. This is the second payment to be made on the stock this year; a disbursement of 1 per cent was made in April.

The shares are entitled to a dividend of 6 per cent; payments are now 5 per cent in arrears. When the stock becomes 6 per cent in arrears it assumes a voting power but as yet the management has not allowed this situation to come about.

Eanings of the hotel are reported to be on a par with those of last year at the present time. This has been accomplished not through an increase in patronage but through cuts in operating expenses. Patronage during the current year to date has not shown any gains over last year, it is understood.

Profits in 1930 were $804,821. After provision for bond interest and depreciation and other charges there remained $202,635 applicable to dividends. Preferred payments made during the year absorbed $136,514.

Dominion Coal Production Lower in Six Months

From Our Own Correspondent

MONTREAL.—Output at the collieries of Dominion Coal Co., subsidiary of Dominion Steel and Coal Corp., for the six months ended June 30, was 377,000 tons lower than the figures for the same period in 1930.

Production for the first six months of 1931 totalled 1,345,000 tons as compared with 1,722,000 tons for the same period last year.

Output for the month of June was 345,758 tons as compared with 274,521 tons for the previous month and 330,066 tons for June, 1930.

Regular Dividends Paid By Dominion Envelopes

But Western Subsidiary Passes Current Payment to Build Up Working Capital Position

Recent tariff changes have so benefitted Dominion Envelopes and Cartons and its associated companies that additions have been made to plant capacity. New carton printing machinery has been installed in the Toronto plant and also in the plant of Dominion Envelopes and Cartons (Western) Limited.

Dominion Envelopes besides being the largest manufacturer of printed envelopes in Canada, also owns and operates Dominion Boxboards, which operates a new plant in the Ashbridge's Bay industrial area of Toronto, manufacturing boxboards, food cartons, folding boxes, etc. Business of this plant has been benefitted by tariff changes. Both companies are privately owned and both are continuing to pay their regular dividends. Dividends due on each company on January 1 and on July 1 were paid.

The western company is affiliated but not owned outright by the eastern company. It is the only one of the group in which there is an important public interest, an issue of $425,000 of its first preferred shares having been sold in 1928. Dividends on this stock, as well as on a small issue of second preferred shares were paid regularly to the end of the first quarter of 1931 but the last quarter's dividends on both classes of preferred have been passed. It is understood that these dividends were earned and it is the expectation of officials that preferred dividends for the full year will also be earned, but in view of the uncertainty of the business outlook on the prairies, following the poor crop conditions, it has been deemed advisable to conserve cash assets until prospects are clearer.

Smaller Movie Attendance Cuts Fam. Players Profits

Motion picture houses in Canada have been hit by business depression and profits of all exhibitors will be lower this year, according to information secured in trade circles. Famous Players theatres are said to be showing between 15 and 18 per cent decline in gross attendance and, as expenses can not be proportionately reduced, profits for the current year, which will end August 31, 1931, will show considerable reduction. Profits for the 12 months to August 31, 1930, averaged $5.03 per share on common stock.

Experiment was made by Famous Players in some of its theatres of reducing admission prices to stimulate attendance but the only effect was to lower gross revenue of the theatres where the experiment was tried. Theatre prices average considerably lower in Canada than in the United States and are believed by those in the trade to be about the lowest figure that is consistent with costs of operation. However, if it were felt that lower admission prices would bring in higher revenues they would be immediately adopted.

The tendency to more economical production of pictures now reported from Hollywood, will not be reflected in lower costs of pictures for Famous Players, who book all their pictures on a percentage basis. The determining factor in the costs of pictures to the Canadian company is the amount the pictures draw and not at all what it costs to produce them. Famous Players might conceivably pay less for showing a million dollar picture across Canada than for showing a $150,000 picture.

Very hot weather reduced attendance in theatres at the end of June and early in July, Imperial Theatre, a Famous Players unit in Toronto, owned by Eastern Theatres, a subsidiary, recently installed a refrigerating unit.

Ontario Bakeries Meeting Adjourned

Shareholders of Ontario Bakeries Ltd., subsidiary of Canadian Terminal System Ltd. have passed a by-law confirming action taken by the bondholders in agreeing to a suspension of interest payments until 1933 and authorizing the signing of a supplementary trust deed with the trustees. The annual financial statement of the company was not presented at the annual meeting since it had not been considered by the directors and the meeting was adjourned to July 30 for consideration of the report.

Current business of the company was stated to be showing some improvement and a small profit was earned in the five weeks ending June 6 as compared with losses prevailing in previous months. James Arnold, Montreal, and Col. A. H. Monteith, Paris, were added to the directorate. Election of the new board will take place following the adjourned meeting.

I. P. and P. Securities Form Wholesale Department

From Our Own Correspondent

MONTREAL. — International Paper and Power Securities has formed a wholesale department under the direction of C. E. Bradley, formerly vice-president of Albert E. Pierce and Co.

International Paper and Power Securities, Inc., was formed in 1929 to serve security holders and others interested in the International Paper and Power group of companies. It has taken an active part in certain phases of the financing of the group, particularly in connection with the class "A" stock of International Hydro-Electric System.

A. R. Graustein, president of International Paper and Power Co. is also president of the Securities company.

Not on Committee

Sir Percy Lake, of Victoria, advises that he is not the chairman or a member of the protective committee of Canadian General Investment Trust shareholders, as recently reported in despatches from the West.

Vancouver Grain Shipments Gain

By the end of June the season's gain exports from the Port of Vancouver exceeded 70,000,000 bushels, and it is expected that by the end of the crop export year in July the total will have reached 74,000,000 bushels.

POOLING ENDS, FUTURE VAGUE FOR ELEVATORS

(Continued from page 1)

have received notice of termination of their services, although this does not apply to the staff of the pool elevators. Delegates attending a general meeting of the organization in Regina this week are to have disclosed to them the plans under which the Pool hopes to carry on ordinary grain business. A corresponding meeting is to take place in Alberta, next week.

While there is no expectation of the creation of a Wheat Board by the Dominion government, which would make the situation of the Pools somewhat less acute, or at least serve to hide their troubles to some extent, agitation is still in progress for a Grain Marketing Board to be established jointly by the three western provinces. The United Farmers of Canada, in Saskatchewan, are trying to bring about a discussion of the project between the Pools and the western premiers, but the obvious constitutional difficulties in the way are so great that little attention is paid to the project.

Then there is the problem of the future of the elevators. Each provincial government is reluctant to enforce its security on these elevators for repayment of the amounts, totalling about twenty-five million dollars, which the three pools will owe the provincial governments as soon as the latter have settled with the banks on their guarantees of 1929 advances, but simple forbearance is of no use to the Pools. Not one of them can carry on even an ordinary grain business, hedging its grain, without further substantial assistance from the governments, and such assistance, after the provinces' experience, is more than risky.

Wants New Organization

Premier Bracken would like to see a new organization created, to take over management of Pool elevators in all the provinces, but has found little encouragement either from Alberta or Saskatchewan, even although Premier Brownlee was mentioned as a possible manager.

In the meantime, Premier Bracken has offered an arrangement, designed to let the present administration of the Manitoba Pool continue control of the elevator system while dropping the Pool idea. He will write down the province's claim against the elevators to $2,400,000, absorbing at once $1,100,000 loss, will take stock in the Pool elevators company in payment of this claim and, although the plan nominally provides machinery by which the local associations, over twenty years, will buy the government's shares, the record and prospects of the majority of them offer little hope of the government making any substantial recovery. The government's security is further impaired by the announced intention to float a bond issue against the elevators in order to provide working capital and by further assistance, either by way of guarantee or loan, which appears to be intended. Mr. Bracken has apparently thrown over the whole report of the Williams Commission, appointed by himself, and its condemnation of the methods pursued by Pool directors and management. Indeed, he listened, with apparent approval, to a denunciation of the Williams report by Pool directors. At a special meeting of delegates held last week, the meeting showed a good deal of enthusiasm in accepting the premier's proposal, but subsequently delegates quarreled over a proposal to pass a vote of confidence in the Pool board, which had to be dropped, and many details of the scheme. Whether the plan can be put into effect still remains to be seen, already some farmers are denouncing it as a scheme to provide an election machine in the forthcoming provincial elections, and others because of the implied endorsation of the present management.

Saskatchewan Pool Sees Finish

In Saskatchewan, excitement has been caused by the disclosure of an agreement, hitherto kept secret, between the Government and the Pool, providing for the funding of the Pool's debt to the Government over a period of twenty years. But the Pool needs a great deal more assistance than this if it is to continue operation of Pool elevators, being entirely without working capital. Because of the light crop in the province this year farmers would suffer no hardship if all the pool elevators remained closed, and on that account the Government has been resisting pressure to make a large loan or to give further guarantees.

Premier Brownlee is understood to have promised assistance to the Alberta organization for managing their elevators provided the pooling of grain is dropped, that there are no further entanglements with other Pools, and that grain bought is kept strictly hedged. The problem there is not so serious as in Saskatchewan, where a large operating loss on the elevators next year is expected.

Charles Gurd Benefits By Recent Hot Spell

From Our Own Correspondent

MONTREAL.—The recent hot spell, which has caused so much discomfort to citizens, has proved a boon to manufacturers of carbonated beverages. Charles Gurd and Co., which produces a wide line of soft drinks, has been unusually busy and sales last week reflected the increased demand from parched throats. Substantial inroads were made into stock on hand.

Sales for the first half of the current year are understood to have been satisfactory and compare favorably with those of last year. The company releases no interim figures during the year; for the first five months dividends were earned.

The common stock, of which there are 60,000 shares outstanding, are on an annual dividend basis of $2. Earnings in 1930, after deductions, were equal to $2.95 a share and in 1929 were $3.11 a share.

The stock has been slightly stronger on the Montreal Stock Exchange in recent trading and is currently quoted around 25 as compared with a low of 20 during the year. At current quotations the shares yield 8 per cent.

NOTICES

THE EASTERN CAR COMPANY, LIMITED

BONDS

NOTICE IS HEREBY GIVEN that The Eastern Trust Company under the provisions of the Mortgage dated the first day of July, Nineteen Hundred and Twelve (1912) to secure the bonds of The Eastern Car Company, Limited, will receive offers up to noon on Wednesday, the twenty-ninth day of July, 1931, from persons willing to sell the whole or any part of the bonds of the said The Eastern Car Company, Limited, purchasable by a Sinking Fund payment of Twenty-seven Thousand One Hundred and Eighteen Dollars ($27,118.00).

Parties offering must state the par value of bonds tendered and price delivered at Halifax.

The Trustee reserves the right to reject any and all offers in whole or in part. Bonds accepted are to be delivered on or before August 5th, 1931, and interest on accepted bonds will cease on that date.

THE EASTERN TRUST COMPANY,
Trustee.

184 Hollis Street,
Halifax, N.S.,
2nd July, 1931.

NOTICES

INTERNATIONAL POWER AND PAPER COMPANY OF NEWFOUNDLAND LTD.

TENDERS FOR SHARES

Tenders will be received by the undersigned Trustee, at its office, Bank of Montreal Building, St. John's, Newfoundland, up to noon on August 8th, 1931, for the purchase of all or part of 73,600 Five Per Cent Preference Shares of One Pound Sterling each in the capital stock of International Power and Paper Company of Newfoundland, Limited. Dividends on these shares are cumulative from January 1st, 1933. The Trustee does not bind itself to accept the highest or any tender. THE ROYAL TRUST COMPANY,
Trustee.

PUBLIC NOTICE

WHEREAS on the 24th January, 1929, it was proclaimed by His Excellency the Governor in Council under the provisions of Section 3 of the Act 8 and 9, George V., Chapter 15, that all minerals situate within the boundaries of that area bounded on the North West by a straight line drawn from Hampden, White Bay, in the District of White Bay, to Main Gut, Bay St. George; and on the South East by a straight line drawn from Lewisporte, in the District of Lewisporte, to the mouth of White Bear River, White Bear Bay, in the District of Burgeo, not held by any person under any subsisting license, lease or grant and not at that date the subject of an application for a license therefor under the provisions of the Crown Lands Acts, be reserved from the operation of the Crown Lands Acts until further notice;

AND WHEREAS the Governor in Council has thought fit to rescind such reservation by his Proclamation issued under date June 2nd, 1931;

NOTICE IS HEREBY GIVEN that on and after the 4th July, 1931, this Department will be prepared to issue Miners Permits, and to accept applications for and issue Certificates of Record over the said territory.

J. F. DOWNEY,
Minister of Agriculture and Mines.

Dept. of Agriculture and Mines, June 9, 1931.

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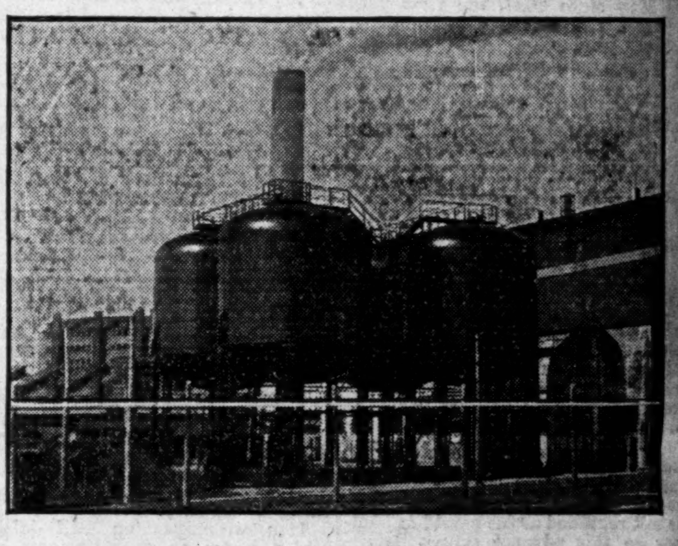

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THE FINANCIAL POST

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Vol. XXIV — 10c a Copy; $5.00 a Year — PUBLICATION OFFICE: TORONTO, JULY 9, 1931 — Member of Audit Bureau of Circulations — No. 28

LOBLAW PROFITS HOLD AT RECORD; TAX IS HIGHER

Goodwill Account of $360,000 Entirely Written Off

MORE GOODS MOVED

Despite Drastic Price Slump, Decrease in Dollar Volume is Only 7.7 Per Cent

Loblaw Groceterias maintained profits in the year to May 31, 1931, largely through turning over an increased volume of goods and through economies effected in operations. Dollar volume of sales declined nearly 8 per cent but as ruling prices were 20 per cent lower throughout the year the runover represented more actual goods sold. Loblaw's for the first time had net earnings of over 7 per cent of sales.

Company earned enough to cover its 80 cent dividends on both class A and class B stock and to write off its entire goodwill account of $360,000, still leaving a small balance to be transferred to profit and loss account.

Earnings per share were $1.27. This compares with the figure of $1.28 shown for 1930 but as it was necessary to pay out additional income tax on 1930 earnings as a result of recent retroactive Dominion legislation relating to corporation income tax, the 1930 earnings in reality amounted to $1.25 per share. On this basis of figuring the profits per share showed a slight increase despite the difficult conditions in business prevailing throughout the year.

Gross sales at $17,010,191 showed a decrease from the figure of $14,435,087 reported for 1930 but were still substantially above the dollar volume of 1929 business.

Small Increase in Surplus

Net earnings on this volume of earnings were $1,206,634 as against $1,190,328 but profits available for distribution were lower because of the increased corporation income tax. It is significant that had there been no increase in the corporation income tax, earnings would have topped the $1.30 per share mark. After paying the increased dividends on class A and class B shares, a sum of $360,000 was appropriated from the year's surplus to write off goodwill account and the balance was sufficient, after all adjustments, to increase the undistributed surplus profits from $2,205,599 to $2,225,075. The profit and loss account, with comparisons for five previous years, is to be found in an adjoining table.

Economies Reported

Annual report of T. P. Loblaw, president, points out that while dollar volume of sales decreased by 7.7 per cent there was a decline in food commodity prices of 3.20 per cent for the year so that "actual sales in tonnage represent a large increase over the preceding fiscal year." Increased profits, Mr. Loblaw declares, were due "not only to the increased tonnage handled during the year but also to economies effected in the company's warehousing and distribution facilities."

Mr. Loblaw points out that the profit secured from special manufacturing departments, which were enlarged during the year, are also a factor in increasing earnings.

Liquid position of the company is good, working capital ratio standing at better than 3 to 1, as against 2.80 to 1 a year ago. Comparative figures follow:

Working Capital

	1931	1930	1929
	$	$	$
Cur. assets	3,168,421	2,688,417	2,189,732
Cur. liabs.	1,005,595	958,993	905,686
	2,162,826	1,729,424	1,284,046
Ratio	3.14 to 1	2.80 to 1	2.42 to 1

There are no special indebtedness to banks, and no mortgages on properties. On the other hand, the company gains a good income from various investments which are shown at cost, although some appreciation in their value is reported.

The number of stores increased by five and 99 are now in operation.

No reference is made to operations in the American subsidiary which contributed no dividends to the parent company during the year.

The only substantial changes in the balance sheet figures are in the nature of an improvement in cash and other liquids. Inventories are lower, no doubt reflecting the lower value of products. Real estate and equipment have been further written down and, as stated, goodwill has been eliminated entirely as an asset.

Loblaw Earns 7 P. C. on Sales

Statistical Record, Years Ended May 31

	Sales	Net Earnings	Earnings to Sales	Stores	Sales per Store	Earnings Per Store
1920†	$ 237,978	$ 13,894	5.84	2	$118,989	$ 6,947
1921‡	694,932	17,423	2.51	4	173,733	4,356
1922	1,829,577	67,339	3.68	8	228,697	8,417
1923	3,136,672	124,955	4.00	12	261,389	10,413
1924	5,066,306	211,776	4.18	20	253,315	10,588
1925	6,135,192	275,192	4.51	29	211,556	9,504
1926	7,717,459	395,272	5.12	40	192,936	9,882
1927	10,517,093	629,140	5.98	49	214,509	12,819
1928	13,975,186	798,486	5.71	65	215,003	12,285
1929	16,552,739	922,202	5.57	80	206,159	11,527
1930	18,435,087	1,190,328	6.46	95	194,054	12,530
1931	17,010,191	1,206,634	7.09	99	171,821	12,188

†Figures cover 5¾ months ending August 31, 1920.
‡Figures cover 9 months ending May 31, 1921.

Income and Surplus Account, Years Ended May 31

	1931	1930	1929	1928	1927	1926
	$	$	$	$	$	$
Gross sales	17,010,191	18,435,087	16,552,739	13,975,186	10,517,093	7,717,459
Net earnings	1,206,634	1,190,328	922,202	798,487	629,140	395,272
Less:						
Res. for income tax	122,000	95,000	72,887	64,000	51,320	36,693
Re-org. exp. w/o	......	7,306	7,306	7,306	......	......
Net profit	1,084,634	1,088,022	842,009	727,181	577,820	359,579
Less appropriations:						
Dividends:						
Prior preference	......	3,559	416,631	37,331	40,586	37,554
Common	......	......		217,792	201,958	144,000
Second preferred	......	......	......	......	......	28,440
Class "A"	374,033	303,800	......	......	......	......
Class "B"	306,640	249,146	......	......	......	......
Goodwill writ. off	360,000	......	......	......	......	......
Surplus for year	43,961	531,517	425,378	472,058	335,276	149,585
Add:						
Previous surplus	2,205,599	1,798,996	1,364,097	902,367	567,185	413,567
Prof. on sale of cap. assets	......	......	47,546	......	......	......
Tax adjustments	......	......	......	......	3,477	4,152
Less:						
Pref. stock prem.	......	123,543	38,025	1,080	3,570	119
Tax adjustments	569	1,371	......	565	......	......
Adjust. re subs. cos.	......	......	......	8,683	......	......
Addit. inc. tax, 1930	23,925	......	......	......	......	......
Balance carried forward	2,225,075	2,205,599	1,798,996	1,364,097	902,368	567,185
	new*		old			
Earned on common	$1.27	$1.28	$4.22	$3.60	$3.08	$2.04
Paid on common	0.80	0.65	1.50	1.25	1.25	1.00

*Class A and B combined.

Standard Steel Earns Dividend On Preferred

While only a small volume of business is offering in the steel construction field, Standard Steel Construction Company is stated to be earning its preferred dividends during the present year. The company in 1930 earned approximately $97,000 after depreciation and showed a surplus of $61,000 over preferred dividend requirements of $29,000. This compared with net earnings of $304,000 in 1929. The company has no funded debt.

The company produces structural steel frames for building bridges, etc., fabricating its products at a new plant on the Welland canal. Public financing was done in January, 1929.

The company maintains its liquid position. No dividends have been made on the common stock of the new company, although 1929 earnings, which amounted to more than $2 a share on the common, led to the assumption that such dividends might be declared. This has helped to build up the company's working capital, and it is in a position to handle business that it is expected will be available when general conditions take a turn for the better.

At one time a merger of Standard Steel Construction Company and Disher Steel Company, of Toronto, also structural steel operators was suggested but this plan, which was never official, is not under consideration at all at the present time.

TRAYMORE PROFIT HOLDS ABOVE 1930; FOOD COSTS DROP

Company Benefits from Lower Prices of Raw Materials

Net earnings of Traymore Limited for the present year are stated to be above the level of 1930. The company earned $106,000 net in 1929 and $139,000 net in 1930. Both years' earnings are quoted before depreciation. While volume of business for most companies and earnings also are lower than a year ago Traymore is benefitting from the lower cost of foodstuffs.

Restaurant companies find the lower price of foodstuffs to be a great help in carrying them through the current period of business depression. A considerable part of the saving has been passed on to the public but a portion also of the decline in prices has been utilized to widen the margin of profit. It is felt that Traymore was operating on too small a margin of profit and in widening this margin the company is improving its position.

Working Capital Better

The company's working capital position, which was for some time very poor is better, but this is due largely to the sale in 1930 of an issue of $150,000 of first mortgage bonds. Earnings in 1930 were equivalent to 60 cents a share on common stock. Although the stock is listed on the Toronto Stock Exchange, it is not very active and recent transactions have gone through at $1.25 a share. Thus the shares are selling at only about twice earnings. Doubtless the presence of $150,000 of bonds and $528,800 of preferred stock ahead of the 96,000 common shares is a factor in preventing the stock from having a wider following.

Traymore Limited operates in Montreal and Toronto, being strongly entrenched in both cities. In Montreal its properties include the Krausman's Lorraine Cafe, the restaurant in the Dominion Square building and the Eastern Cafeterias—five units in all being operated. In Toronto one cafeteria and the Savarin Restaurant are operated.

See Beginning Registered of Long Term Bill Market

Discussing the stock market outlook Wills, Bickle & Robertson, members of the Toronto Stock Exchange, say:

"Security prices have only recovered a small part of the loss brought about by unreasoned fear.

"Starting early in July there should be a quiet period, for possibly a month, when prices will lose some of the advance recently gained. We strongly recommend the purchase of sound Canadian stocks during this period, which in our opinion will afford a second opportunity for accumulation prior to a much better market later in the year, and one which could quite easily carry on for three to four years.

DOMINION - SCOTS EARNS PREFERRED; ASSETS OFF 45 P.C.

Present Market Values Not Regarded as Sound

Depreciation in the book capital of Dominion-Scottish Investments, a Canadian investment trust with headquarters in Toronto, amounted to 45 per cent at May 31, it is revealed in the annual report just issued. But the directors take the view, expressed in the report by C. S. Macdonald, chairman of the board that "present day quotations represent forced liquidation prices rather than reasonable values" and they consider "that in very many cases securities are as much overvalued on the stock exchange today as they were overvalued in the summer of 1929." Reference is made to the improvement that has taken place in stock market values since the close of the fiscal year on May 31 and it is pointed out that the company "is free from debt and is not in the position of having to liquidate securities at present depressed levels."

Income Covers Dividends

Income for the year from dividends, interest, etc., was slightly below the income recorded for the previous thirteen months' period and was sufficient to cover all expenses, including taxes and to cover the 5 per cent preferred dividends with a margin of about $15,000 as the following table shows:

Revenue Account, Years to May 31

	*1930	1931
	$	$
Dividends, interest and other income	217,882	213,807
Less: Rent, salaries, etc.	19,151	18,301
Directors' fees	11,250	11,250
Trustees, auditors, etc.	3,377	3,909
Net revenue	173,466	177,074
Less: Income tax	11,785	12,495
Available for dividends	161,681	164,579
Less: Preferred divs.	137,874	149,812
Surplus for period	23,807	14,767
Previous surplus	......	23,807
Net balance forward	23,807	38,574

*Nineteen months.

A separate account shows profit realized on sale of securities. This amounted to $8,413 and was used to write down value of securities. An additional $3,900 gained through the retirement of 300 shares of preferred stock at $13 a share under par, was also used to write down the book value of securities.

Realized Profit on Investments Years to May 31

	*1930	1931
	$	$
Net amount realized	117,332	8,413
Profit on redemp. of pref.	......	3,900
Total available	117,332	12,313
Less: Investments written down	106,515	12,313
Organiz. exp. written off	10,817	......
Balance	none	none

*Nineteen months.

The classification of investments shows no striking changes except that there is a slightly higher percentage invested in common stocks and the additions seem to be chiefly in the public utility and banking field.

SUMMARY OF INVESTMENTS

1.—Classification According to Type of Investment

Cash and call loans	1.66%
Bonds and debentures	17.49%
Preference shares and stocks	21.56%
Ordinary and Common shares	59.29%
	100.00%

2.—Classification According to Geographical Distribution

Canada	42.87%
Great Britain	.14%
Europe excluding Great Britain	3.28%
United States of America	49.29%
South America	3.08%
Asia	1.34%
	100.00%

3.—Classification According to Nature of Undertakings

Cash and call loans	1.66%
Government and municipal	3.96%
Banks and financial	9.18%
Public utilities	15.05%
Manufacturing	29.73%
Collieries and mines	6.10%
Railways and steamships	5.86%
Engineering	5.69%
Foodstuffs and beverages	5.69%
Pulp and paper	4.63%
Trading	3.90%
Steel	3.18%
Oil	2.02%
Milling	1.43%
Miscellaneous	1.92%
	100.00%

Investments at cost, less investment reserve stand at $4,459,134 with a market value of $2,372,016 at May 31 last. Investments at cost stood at $4,260,136 a year with a market value of $3,687,780. Thus while investments have increased by about $200,000 the market value has declined by about $1,300,000. Total assets are approximately the same and the large investment account has been built up by utilizing most of the cash on hand and a considerable portion of the funds formerly on call.

The only substantial change in liabilities is due to the redemption of 300 shares of preferred stock.

Dividend is Passed by Cockshutt Plow

Directors of Cockshutt Plow Co. have passed the quarterly dividend on the common stock, payable on Aug. 1, due to continuance of adverse conditions which caused the reduction in the dividend rate in January last from the annual rate of $1.50 paid in 1930 to an annual rate of 60 cents. A letter to the shareholders states that the present outlook does not indicate an early improvement.

Business has been falling off together with cash collections, according to the letter. Expenses have been reduced as far as is consistent with the maintenance of plant and organization while the management and permanent staff have accepted an all-round salary adjustment and directors' fees have been suspended.

Financial position of the company is stated to be good with liabilities in the way of bank loans and accounts payable being approximately the same as at the same time last year. Accounts receivable are considerably higher. The decision to pass the dividend has been made in order to conserve resources in view of the uncertainty of cash collections in the immediate future.

Beef Grading Shows Increase

Figures issued by the Department of Agriculture at Ottawa show an increase of nearly 80 per cent or 890,000 lbs. in the volume of beef officially graded and branded under government supervision. The total for the Dominion for March was 1,199,357 lbs. and for April 1,983,022. It is also pointed out that of the April total 1,333,247 lbs. graded "blue brand" (or good) and 649,775 lbs. "red brand," (or choice).

Dawes, Young, Hoover; Review of Reparations

Background of German War Debt Problem Helps in Understanding of Present Situation

By J. P. WALWYN

The recent proposal made by President Hoover to postpone all intergovernmental debt payments for one year has once more focussed attention on the problem of war debts and reparations. It may, therefore, be interesting to review the events which have preceded the present effort to solve this complex problem.

I. The 1921 Commission

One of the bodies created by the Peace Conference of Versailles was the Commission on Reparations. This commission was charged to ascertain the amount Germany should pay in the form of reparations; what she was capable of paying; and the mechanics by which the payments should be made. On May 5, 1921, the commission announced a reparations schedule which provided for a total indebtedness of 132,000,000,000 gold marks. In the following year, Germany was unable to effect the full annual payment, and the "March into the Ruhr" followed. It became apparent at this time that the question of reparations must be revised on a practical business basis.

II. The Dawes Plan

In November, 1923, the Allied Nations appointed a committee of experts headed by Charles G. Dawes to submit a plan of reparations. The Dawes report was published in April, 1924, and was approved by the Allied Nations, as well as by Germany, and became operative on September 1, 1924. This plan set up detailed machinery for restoring an economic balance in Germany. It provided for a unified and stable currency, a balanced budget, a reorganization of the Reichsbank, a mortgage on the entire German railroad system, a mortgage on German industry, certain specific revenues to be placed under the control of Germany's creditors, a contribution from the German budget, and finally, a bond issue of 800,000,000 gold marks. All reparations payments were to be made through the Reichsbank. The plan called for payments commencing with 1,000,000,000 gold marks in the first year, and increasing to 2,500,000,000 gold marks the fifth and following years. In 1929, some modifications of the Dawes Plan became necessary, particularly with respect to the transfer of payments, and also with respect to the amounts to be paid in any one year.

III. The Young Plan

A new committee was appointed to study the problem, and on September 1, 1929, the Young Plan superseded the Dawes Plan. In brief, the Young Plan provided that Germany should pay stipulated annuities aggregating 113,905,480,000 reichsmarks, the last payment to be made on March 31, 1988. The payments began at 676,900,000 gold marks the first year, 1,641,600,000 the second year and increased to 2,352,700,000 gold marks in 1966; thereafter decreasing. The average German payment may be said to be about $525,000,000 annually. The payments are divided as between unconditional and postponeable. This means that the German Government has the right to defer a portion of the payments for a period of not more than two years in the event of economic difficulties or distress in Germany, or should the German currency for any reason be subject to such a severe strain as to endanger its position.

Under the Young Plan reparation payments are to be made by means of the German budget and the German Railroad Company. The latter is responsible for a portion of the payments for thirty-seven years, while thereafter, the German budget will provide the total amount.

An important feature of the Young Plan was the creation of the Bank for International Settlements entirely outside the field of political influence to replace the machinery for reparations collections and payments under the Dawes Plan.

Reparations and War Debts

In the Young Plan, there is a distinct link between reparations payments and war debt payments. Under the terms of the debt settlements made by the former Allies with the United States, they are bound to pay annuities for sixty-two years. Under the Young Plan, Germany promises to make payments to the former Allies for approximately the same period. When the United States ceased making loans to the Allies at the end of 1919, there was owing to the treasury of the United States the sum of $9,850,149,803. Of this amount, France owed the United States approximately $3,341,000,000 and Great Britain $4,075,000,000. Interest on the total debt to the United States at that time amounted to approximately $1,715,000,000, or a total of $11,565,000,000 was owing to the United States. It was calculated that provided every nation carried out its debt agreement with interest the total amount to be received by the United States would be $22,188,000,000. The payments received by the United States in 1931 on account of war debts will be about $240,000,000, and these payments are to be increased until they reach approximately $400,000,000 annually. The present value of the war debts owing to the United States in 1931 calculated at 5 per cent is about $5,400,000,000. In other words, if a cash settlement of the whole debt affair were to be made today, this would be the amount paid to the United States.

Case of Great Britain

The relationship between reparations and war debts may be illustrated by the case of Great Britain. In 1922, Great Britain adopted the principle that she would only collect from her other Allies an amount sufficient to make the payments due by her to the United States. At the present time, she is receiving about $100,000,000 annually from her other creditors, and about $80,000,000 from Germany on account of reparations, as against payments to the United States of about $160,000,000 annually. Thus, she is collecting somewhat more than the amount payable to the United States. Offsetting this is the fact that before she commenced collecting from certain of the Allies, she had already paid the United States quite a large sum on account. When the Young Plan was made effective, the period over which payments of reparations were to be made was changed to correspond roughly with the period of payments to be made to the United States by the former Allies on account of war debts. Germany makes reparation payments in marks to the World Bank, the former Allies are credited with the amounts to which they are entitled—France 52 per cent, Britain 22 per cent, etc. As circumstances permit, the World Bank transfers these marks into foreign currencies. The Allies in making war debt payments to the United States draw upon their credit with the World Bank for such payments.

U. S Would Lose Out

It is plain that as long as Germany pays the annuities laid down in the Young Plan that the burden of paying the United States is shifted from the taxpayers of the former Allies to Germany, but if Germany should discontinue such payments, the burden of war debts would fall directly upon the various debtor nations. It is apparently recognized in Washington that if Germany postpones a portion of the payments for a period of two years, the Allies have a perfect right to suspend war debt payments to the United States for a similar period. This is not popularly realized in the United States, however, and there is a great deal of misunderstanding as to the relationship between the reparation and war debt problem. Stated in a few words, it may be said that approximately two-thirds of what Germany pays goes to liquidate the debts of the former Allies to the United States, and if Germany postpones payments, the former Allies have the right to suspend payments for a similar period. At the end of the two-year suspension of payments, however, if Germany were unable to resume payments in full, the question naturally arises, whether the debtor nations should or could resume payments to the United States.

President Hoover's Proposal

The announcement by President Hoover that the United States Government is prepared to postpone for one year all payments of intergovernmental debts and reparations, both principal and interest, has been an important step forward to a reconsideration of the entire problem. There are many who feel that all debts should be cancelled, while there are others, particularly in the United States, who would like to insist upon full payment of all debts. It is hoped when the Allied Nations reconsider the problem of reparations and war debts that a compromise can be effected which will place the entire problem on a practical basis without undue strain upon any of the nations involved.

Position of German Bonds

Holders of Germany's external 7 per cent and 5½ per cent bonds are particularly interested in the problem of German reparations. The market for both issues of bonds has been depressed, due to the uncertainty which exists as to the final outcome. President Hoover's announcement, however, had the effect of improving the market for both issues. The market action on these issues in 1930 and this year to date has been as follows:

7's of 1949

	High	Low
Issue price		92
Range:	High	Low
1930	109⅞	100⅛
1931 to date	105½	93⅝

5½'s of 1965

	High	Low
Issue price		90
Range:	High	Low
1930	91¼	68
1931	84	63

Affects No Private Bonds

The proposal of a one year moratorium on German and inter-allied debt payments does not include a moratorium on obligations of governments held by private individuals, so none of the bond issues is affected. The service charges on both the 7 per cent and the 5½ per cent issues are a direct obligation of the German Government, and have no direct connection with the reparations situation. The service charges on the 7 per cent loan amount to approximately $18,000,000 and on the 5½ per cent issue to approximately $24,500,000, or a total of about $42,000,000 annually. This includes both interest and sinking fund. It will be seen that this does not represent a very large amount in comparison with the reparations payments to be made under the Young Plan, and there would seem to be no reason to believe that Germany cannot continue to pay the service charges on these issues.

No one believes that it is the intention of Germany to default in payments on account of external obligations, as such a default would discount for a long time the credit standing of the country. Even the Radical Party in Germany aparently have no intention of recommending such a step. The only other question involved is Germany's ability to maintain these charges. There should be no doubt about this, unless Germany is headed toward financial ruin. The willingness of the Allied Nations to reconsider the entire problem as it affects Germany is evidence that every effort will be made to prevent a financial cisis in that country. It would seem, therefore, that a suspension of interest or sinking fund payments on Germany's external debt is a very remote possibility.

GOODYEAR TIRE EARNS DIVIDENDS ADDS TO SURPLUS

Year's Requirements Are Met in First Six Months

Earnings of Goodyear Tire & Rubber Co. in the first six months of 1931 have been sufficient to meet preferred and common dividends for the entire year and add something to surplus, according to C. H. Carlisle, president of the company, in a letter accompanying quarterly dividend cheques which were forwarded to some 3,500 Canadian shareholders on July 1. The company has maintained its position in spite of the difficult conditions that it has had to face and ample reserves have been set up to cover any unusual losses that may occur from these conditions.

The company has current assets of $10,727,809 of which some $4,600,000 is in cash, call loans and government bonds. These figures indicate some gain in current assets since the last annual report showed the position as at Sept. 30, 1930. Current value of plants, consisting of lands, buildings, machinery and equipment is stated at $12,350,000 against which a reserve for depreciation of $5,136,894 has been set up, equivalent to 41.6 per cent of the fixed investment. The company has no indebtedness to the banks or otherwise, excepting current bills not due for payment. Surplus amounts to something over $3,000,000.

Business is Slow

General business is continuing to show a marked decline, it is stated, as compared with the first six months of 1930, and many lines of business are showing a decline in the second quarter of this year as compared with the first quarter. Export trade has been greatly curtailed, both in the automotive and the rubber industry. It is understood that the company is operating at about 50 per cent of capacity with no prospect of immediate increase. Manufacturing costs, however, have been reduced and the price of raw materials is very low. While the volume of business to be had in the last six months of the year remains decidedly uncertain, it is hoped that profit will be maintained at about the rate of 1930.

Goodyear has some 74,203 shares of 7 per cent $100 par value preferred outstanding on which annual dividends total $519,421, and 128,630 shares of no par value common which is on a dividend basis of $5 per year with bonuses having been paid in the past three years. With the dividend requirements for the year having been met in the first six months of 1931, earnings of over $15.70 are indicated on each preferred share. In the 12 months ended Sept. 30, 1930, the preferred shares earned $20.89. The current fiscal period will be of 15 months since the end of the fiscal year has been changed from September 30 to December 31.

Prices are Low

The policy of Goodyear has been to take a small profit on a quick turnover rather than a larger profit on a smaller turnover. Reduction in price of basic commodities used in the manufacture of Goodyear products has resulted in lower prices for the output, a smaller dollar volume of sales and a corresponding decrease in profits. In addition there have been write-offs of inventories due to declines in commodity prices during the past year. The manner in which the company has been affected by lower prices is outlined by Mr. Carlisle as follows:

"Two of the principal ingredients in the manufacture of rubber goods are rubber and cotton, both of these commodities have fluctuated markedly over a period of years. Clean, dry rubber sold in 1910 as high as $3.62 per pound, recently it has sold slightly below six cents per pound. Upland Midland cotton in 1919 sold for 43¾ cents per pound, it is now selling for .09 2/3c. In 1919 Egyptian cord fabric sold for $2.50 per pound, today it can be bought for 35c. per pound, therefore, the write-down from time to time of cotton, rubber and finished product has adversely affected profits.

"The low costs of crude materials reflect themselves in a lowered cost of the finished product, which means a lower selling price, and hence a greater number of units have to be manufactured and sold to reach a former dollar value. Comparing the cost of tire mileage today with that of 1913 the tire user gets twenty-two and a half times more mileage for his dollar. It is quite evident that the present low prices cannot continue over a long period of time, as many products are being sold for less than cost. When cotton and rubber advance in price, rubber manufacturing will show a greater profit owing to dollar increase in sales."

TORONTO EXCHANGE JUNE VOLUME LOWER

Listed Stocks Hold Up—Trading on Unlisted Section Drops Off

The total transactions on the Toronto Stock Exchange during June showed the usual seasonal decline due chiefly to a falling off in activity of the unlisted section, while volume of trading in listed stocks was well maintained. While volume of sales dropped there was a substantial recovery in security prices, the greatest of any month since March, 1930. Usually a decline in values accompanies reduced trading activities in June.

The appreciation in market values was the result of increased confidence arising from the proposed moratorium on reparations and inter-allied debts. This started a distinct upward movement in commodities and had a resultant influence on security prices which added hundreds of millions of dollars to market valuations of the ordinary capital of corporations listed on the exchange according to a bulletin issued by the Toronto Stock Exchange.

The volume of sales on the listed and unlisted sections of the Toronto Stock Exchange for the first six months of the current year is reported as follows:

1931	Listed	Unlisted	Total
June	289,706	174,896	464,602
May	300,403	283,414	583,817
April	248,846	406,115	654,961
March	308,826	378,524	687,350
February	326,878	326,449	653,327
January	309,946	139,051	448,997

H. Simon Closes Harkness Plant Absorbs Output;

From Our Own Correspondent

MONTREAL.—H. Simon and Sons, cigar manufacturers, has closed the plant of Thos. Harkness and Sons, a subsidiary, and absorbed its operations into the Simon plant. The decision is expected to lead to further reductions in working expenses.

The business of Thos. Harkness and Sons was acquired in 1929, with a view to rounding out production of H. Simon. The Harkness Co. specialized in Sumatra wrapped cigars, while the purchasing firm had been built up on cigars with a Java wrapper.

Thus Simon's output was broadened and the market of its subsidiary, which had hitherto been local in character, received the benefit of the Simon national distribution system.

Earnings of H. Simon and Sons to date are considered satisfactory. Though volume of sales has shown a slight falling off, reductions in expenses has more than offset this decline and profits are on a par with those of last year.

LEGAL DECISION SHOULD BENEFIT GYPSUM, LIME

Patent in Wall Board Manufacture Process Decreed Valid

From Our Own Correspondent

MONTREAL.—Gypsum, Lime and Alabastine, Canada, stands to benefit by a recent decision of the Privy Council upholding the validity of the Bayer patent of which the company holds the Canadian rights. The most important application of the patent is in the manufacture of gypsum wallboard.

The case in question, which has constituted the grounds for a three-year legal battle, was a suit by an American named Rice against a Danish firm which holds the patent taken out by Christian Bayer in 1921. It involves the manufacture of porous building materials by mixing certain ingredients with gypsum during manufacture.

About the same time Bayer made his discovery and obtained his patents, Rice discovered the same principle. Shortly afterward, Major George Thompson, chief research engineer of Gypsum, Lime and Alabastine, also discovered the process. His company then acquired the Bayer patent for Canada while competitors relied on the Rice patent.

Action was taken three years ago to nullify the Rice patent. The Canadian Exchequer Court found in favor of Rice; the Canadian Supreme Court reversed this decision, and Rice in turn appealed to the Privy Council. This body has now confirmed the Bayer patent.

Loss of the suit might have meant a set-back for Gypsum Lime and Alabastine. The patent plays an important part in the manufacture of wallboard made of gypsum; this product has been a prominent factor in the progress of Gypsum, Lime in recent years. It is the company's most important single item for Canadian consumption and also is exported to some 35 countries outside Canada.

Earnings of Gypsum Lime for the first five months of the current year are reported to have fallen but slightly below those of the same period a year ago. Substantial cuts have been made in operating costs while the company is beginning to feel some of the benefits of expansion carried out last year.

Business conditions in the Maritimes are good, according to A. E. McLeod, Montreal manager of the company, who has returned from an extensive tour of those provinces.

Growers Wine Company Chooses Murrin President

W. G. Murrin, president of the B. C. Electric, was elected as the new president of the Growers' Wine Co. at the annual meeting of shareholders, held in Victoria.

The directors announced that the full 7 per cent dividends on the preferred stock would be paid as usual, but that they did not recommend the final dividend of 2 per cent on the common stock be paid at this time as they considered it wise to conserve the resources of the company. An interim 5 per cent dividend on the common stock was paid last December.

FAM. PLAYERS HOUSES TOTAL 207 IN CANADA

Combines Investigator Scathes Switch of Control

CHANGE IN POLICY?

Company Officials See Nothing of Public Interest in Report of White

The "combine" report on Famous Players Canadian Corporation makes available to shareholders considerable data on the number of theatres controlled and how they are controlled.

Of 1,108 motion picture houses in Canada, Famous Players owns or operates (directly or through subsidiaries) 207 theatres.

Particulars of various pooling, franchise and operating agreements are also given.

The report states that at August 30, 1930, Paramount Publix owned 355,131 shares of a total issue of 378,660 shares of Famous Players, or 93.786 per cent.

Famous Players' interest in United Amusement Corp., Montreal, operating 17 theatres in Quebec, is shown to be 28.07 per cent of the 65,974 class A shares and 28.52 per cent of the 81,121 class B shares.

At August 18, 1930, Famous Players controlled 93.60 per cent of the stock of Eastern Theatres.

Famous Players owns 51 per cent of Mansfield Theatre Company, operating Loew's Montreal.

Famous Players has no stock interest in Hamilton United Theatres but operates the four controlled theatres under contract.

From the investors' viewpoint the most interesting feature of the White report on the alleged film combine in Canada is not the finding itself nor the recital of the methods of film distribution and exhibition sponsored by the Famous Players group but the comment of the commissioner on the sale of the Canadian company to the Paramount Publix, in the United States. While Peter White, K.C., commissioner under the act, considers the events that led up to the change of control in 1930 to be outside the exact purview of his investigation, he comments on them vigorously. Mr. White reviews many of the points brought in The Financial Post's criticism of the 1930 transaction by which Paramount Publix came into control of most of the Famous Players stock.

Stock Control of Famous Players

The report of the Commissioner states, concerning the methods adopted to keep control of the company in the hands of Paramount Publix Corporation and of its president, Adolph Zukor, that he was

> "strongly urged to fully investigate this question, which is a burning one, and of great interest to a considerable body of minority Canadian shareholders of Famous Players who have refused an offer of Paramount Publix made in April, 1930, to exchange four shares of Paramount Publix Corporation for five shares of Famous Players.
>
> "Except as to the fact that the share control of the Canadian corporation is in Paramount Publix, who also control indirectly, by share ownership, the two principal distributors in Canada, viz.: Regal Films Limited and Famous Lasky Film Service Limited, I could not and cannot now see that the methods adopted to obtain control are within the scope of this investigation or are relevant to the question before me, which is whether a combine under the Act exists. . . .
>
> "There is a good deal of misconception and lack of understanding of the actual transactions, but if a large number of Canadian shareholders of Famous Players chose to accept Mr. Zukor's offer on behalf of Paramount Publix, to exchange shares of that company for those of the Canadian company, it seems to me that that is really their own business, and it is equally the business of the minority shareholders if they chose to reject this offer, and preferred to hold their original shares in the Canadian company.

Not Canadian Controlled

"Of a capital of 378,660 issued common shares, some 189,000 are held by a trust company under a stock pooling agreement of March 7, 1929, by which Nathan L. Nathanson, then General manager of Famous Players, I. W. Killam, president of Royal Securities

(Continued on page 10)

Canadian International Trustee CITS Shares

Second Semi-Annual Distribution

Coupon No. 2, due July 1st, 1931, entitles holders to a cash distribution of 30c per share.

Coupons may be cashed through investment bankers, GENERAL TRUST OF CANADA or BANQUE CANADIENNE NATIONALE.

Subscription Rights:—

The total amount of the coupon may be reinvested at the current offering price, less a discount of 5%. Right coupons are attached to certificates to this effect. Holders of CITS should take advantage of this privilege in order to increase their holdings and keep their investment well balanced.

Folder F 14 setting forth the advantages of CANADIAN INTERNATIONAL TRUSTEE SHARES will be mailed on request.

Trustee Holdings Distributors
Limited
Wholesale Distributors
132 St. James St. West, MONTREAL

CON. INDUSTRIES FIRST QUARTER PROFITS ARE UP

Radio Sales Gain — Other Subsidiaries Show Good Progress

With each of its subsidiaries showing a profit in the first quarter of its fiscal year, Consolidated Industries Ltd. is believed to be well on the way to equalling earnings made by its predecessor, De Forest Crosley Radio Co., in the fiscal year ended March 31, 1931, when $4.11 was earned on each of the 140,368 shares of common stock outstanding. It is believed that officials of the company anticipate similar results for the current fiscal year. Profit from sales of De Forest Crosley radios in the first quarter exceeded that of the same quarter in 1930, while the Hammond electric clock and Norge refrigerator divisions showed profits in each month of the first quarter.

Added interest is given to the operating results of the first quarter because of the suggestion made in the last annual report, should earnings continue at the rate for the past year, the directors would consider an increase in the dividend. Bonus of 20 cents per share was paid on June 1 in addition to the regular quarterly dividend of 20 cents per share.

While sales of the company's line of electric refrigerators and clocks are showing a profit it is understood that officials of the company will be satisfied if these break even in the current year. The dealer organization is being extended a considerable amount of advertising and promotional work is also being done as a ground-work for future merchandising activities as well as those of the present. The present plant for the manufacture of Norge refrigerators has a capacity of 50 a day and orders are more than sufficient to keep the plant at capacity. A new plant will be placed in operation within a short time with an ultimate capacity of 200 cabinets per day.

Spring and summer sales of radios are reported to be in excess of the same period of 1930 and by the end of the second quarter of the company's fiscal year orders for fall delivery will be on hand and directors of the company will be in a position to estimate more accurately what the operating results for the year will be.

STANDARD RELIANCE LAND SALES SLOWER

Pref. Shareholders Should Get Principal and Some Interest

The annual report of Standard Reliance Assets Ltd., for the year ended December 31, 1930, shows a continued realization upon assets of the company but at a reduced rate. During the year sales of property amounted to $123,974 as compared with $244,487 in 1929. The properties sold consisted of small parcels of land in various localities in Toronto and the selling price was higher than the amount at which they were carried on the books of the company. Profits made have been applied to reduction of values of remaining unsold lands.

The company was formed in 1919 to realize on the assets of the Standard Reliance Mortgage Corp. which had gone into liquidation. Depositors and preferred creditors of the defunct company received preferred stock in Standard Reliance Assets Ltd., to the amount of $5,346,348 of which $3,831,968 had been paid off and redeemed up to December 31, 1930. In 1930 preferred shareholders received $204,186, which left $1,514,380 owing, exclusive of interest. Against this balance there are assets conservatively valued at $2,020,000 which would ultimately provide a return to preferred shareholders of 100 per cent of par value of their stock and possibly 10 per cent on account of interest.

Total assets of the company and its subsidiary Dovercourt Land, Building & Savings Co. total $2,045,618, of which $814,309 is in improved properties after deduction of mortgages and accrued interest of $310,691. The net value of these properties compares with $811,240 in 1929. Vacant properties held for sale are down to $288,475 from $357,125 the previous year. Mortgages receivable and agreements covering sale of lands, amount to $896,115 as compared with $954,353 in 1929, stocks, bonds and debentures are down to $37,436 from $40,988. Sundry assets and furniture are carried at $9,283.

In addition to interest of preferred shareholders liabilities consist of bank overdraft of $20,486, accounts payable of $4,799. There was no overdraft in 1929 and in that year the company had cash on hand of $33,776. Surplus of the company available for preferred shareholders' claims for interest amounts to $505,954 as compared with $478,419 in 1929. As in previous years the claims of common shareholders, amounting to $2,644,020, are not included in the balance sheet.

Consolidated statement of revenue and expenses of Standard Reliance Assets Ltd., and Dovercourt, Land, Building & Savings Co., is as follows:

Revenue and Expenses
Years Ended Dec. 31

	1930	1929	1928
Revenue	$155,274	$165,293	$175,052
Maintenance cost	89,874	90,016	103,016
Oper. expense .	30,292	30,090	29,754
Surplus	$ 35,108	$ 45,186	$ 40,619

FAM. PLAYERS HOUSES TOTAL 207 IN CANADA

(Continued from page 9)

Corporation, and Adolph Zukor, president of Paramount Publix Corporation are the voting trustees. Voting trust certificates or certificates of beneficial ownership were issued in respect to these pooled shares and sold to the public. "The ostensible object of the pooling of the shares was to give the public the impression that Famous Players was a Canadian controlled company inasmuch as two of the voting trustees were Canadians and the pool had share control of the company." A circular issued by an investment security company which sold to the public at least part of these shares stated:

> "Control of the company is being assured to Canada through the purchase of common stock previously held by American interests. For the purpose of retaining this control and providing continuity of the present successful management, voting control has been placed for a period of ten years in the hands of three trustees under a deposit agreement in favor of the Montreal Trust Company."

Protection for Zukor

The Commissioner reports:

> "This circular was issued to the public as an inducement to buy shares which had been purchased from Paramount Famous Lasky Corporation by Royal Securities Corporation, and which were pooled. The purchasers were to receive voting trust certificates, the definite certificates being held by the trust company.
>
> "The real object of the voting trust was to protect Mr. Zukor and his company in respect to a franchise agreement which gave Famous Players an option in the Canadian market on all pictures produced by the United States company.
>
> "If these dissatisfied shareholders have been wronged, it seems to me their proper course would be to seek a remedy in the courts against those who sold them the shares, and that no finding of mine, and no action that could be taken under the Combines Investigation Act, would advance their interest; and so, other than a bare recital of the facts, I make no finding."

What changes will follow in the motion picture industry of Canada or in the operations of Famous Players Canadian Corporation as a result of the report of Peter White, K.C., commissioner under the Combines Investigation Act, are the subject of some speculation now in motion picture circles. The consensus of opinion seems to be that there will be little change in the status quo, that some modifications of an unimportant nature in contracts and policies may be adopted.

The commissioner concluded that there was a combine against the public interest in the movie trade and he specifically named as parties to it: Famous Players, a number of its affiliated theatre operating companies, Paramount Publix Corporation, which controls Famous Players, the Motion Pictures Distributors and Exhibitors of Canada and the various film booking offices comprising that association.

It can not be said that the companies found to be a combine were stunned by the information. An adverse report was expected and was pretty well forecast from comments made by Mr. White during the investigation. But small theatre owners are gleeful.

Reaction of Trade

Among those named in the report the general reaction seems to be about as follows:

1. The report shows that certain methods of competition prevail in the business of supplying motion pictures to theatres but does not indicate that the general theatre-going public has suffered in any way from the manner of conduct of the business.
2. The report criticizes "protection," "block booking," "blind booking," and other systems prevailing in the motion picture trade without recognizing the fact that such systems exist because of the very nature of the film business.
3. Most of the instances of unfair competition reported by the Commissioner relate to the personal methods of various individuals who were formerly in the business or are now in the business, rather than the broad general policies which enlightened executives are now trying to enforce. In other words, the report in some measure criticizes former rather than present policies.
4. Famous Players may have a sufficient share of the motion picture business in Canada to be called a near-monopoly, but it has achieved that position through its own aggressiveness and its mere size is no crime.
5. There is nothing in the report to warrant any attorney-general in taking criminal action against executives of any of the companies.

That is the unofficial but general viewpoint of the various organizations mentioned in the report.

May Modify Policies

Some of the policies criticized in the report can not well be done away with, although minor adjustments might be made, it is stated. Others are not essential to the business and while the trade does not consider them harmful they can be dropped.

Future of the exhibitors and distributors co-operative association remains in doubt. It is felt that it can hardly continue to function on its old lines following such a slashing attack, even if the members of the association consider the attack unfair. But that it will continue in some form seems certain.

Parties to the Combine

In the final pages of his report, the Commissioner states his finding that the following "are parties or privies to or knowingly assisted in the formation or operation of the combine within the meaning of the Combines Investigation Act":

Famous Players Canadian Corporation, Limited, and the following affiliated theatre companies:

B. & F. Theatres, Limited.
Eastern Theatres, Limited.
Premier Theatres, Limited.
Mansfield Theatre Company, Limited.
United Amusement Corporation, Limited.
Theatre Holding Corporation, Limited.
Hamilton United Theatres, Limited.
B. C. Paramount Theatres, Limited.
Paramount Theatres, Limited.
Radio-Keith-Orpheum (Canada), Limited.
Paramount Publix Corporation.
Motion Picture Distributors and Exhibitors of Canada, and the following distributors:
Canadian Educational Films, Limited.
Canadian Universal Film Company, Limited.
Famous Lasky Film Service, Limited.
Fox Film Corporation, Limited.
R. K. O. Distributing Corporation of Canada, Limited.
Columbia Pictures of Canada, Limited.
Regal Films, Limited.
United Artists Corporation, Limited.
Vitagraph, Limited.
Tiffany Productions of Canada, Limited.
First National Pictures, Incorporated.
Warner Brothers Pictures Incorporated.
Vitagraph, Incorporated;

the latter three being United States companies distributing through Vitagraph, Limited, and the other distributors being companies incorporated in Canada.

Others Could be Named

The report states further that there are a number of other companies and individuals which might be properly included in this list, but who are so closely identified with Famous Players that it appears unnecessary to name them separately.

The report says "under its present management, Famous Players does not appear to me to be conducted with quite the ruthless disregard of the rights of others, and of the public interest, as was formerly the case; though the present manager is, however still under the direction of the United States interests who control the company." Arthur Cohen is at present general manager, having succeeded N. L. Nathanson, who is the butt for most of the individual criticisms in the report.

Control of Theatres

Taking Canada as a whole, the report states, Famous Players occupy either an exclusive or a dominant position in practically all towns and cities having a population of 10,000 or more. In many important locations Famous Players have a complete monopoly of the business. "By the control and operation of these theatres," reports Mr. White, "Famous Players is in a position to dictate to the exchanges in regard to the purchase, selection and booking of and contracting for the pictures in the theatres which are in opposition to them."

Of the 299 chain theatres in Canada, controlled by owners of three or more theatres, 207 are controlled by the Famous Players Company, most of them being in the larger centres. The company is stated also to have acquired control over or interests in the business of many other persons engaged in the motion picture industry and to have entered into "contracts, agreements, arrangements and combinations which have or were designed to have the effect of preventing or lessening competition in the sale or supply of motion picture films to the exhibitors, and through them to the public."

As a further development, "Famous Players and its subsidiaries and affiliations have obtained practically complete control of the vaudeville theatrical business in Canada."

Controlled in States

The films shown in Canadian theatres are supplied almost entirely by ten Canadian distributing companies, of which all but one are controlled through direct stock ownership by United States producing companies, that one being controlled by persons close to the Famous Players organization. One of these United States companies, Paramount Publix Corporation "is in virtual control of Famous Players Canadian Corporation Limited," by its ownership of 93 per cent of the stock of the Canadian company. It also controls two of the Canadian distributors and "is a dominating influence in the motion picture business in Canada, as it controls the companies which dominate the situation here." Regarding the purchase of pictures, the Commissioner states, "it is a fair conclusion from the evidence that, while there may be a certain amount of bargaining between Famous Players and the distributors, the percentages and flat rentals paid by Famous Players are fixed by them; and the distributors, if they would deal with Famous Players, must accept Famous Players' terms." In contrast to this condition "there is no effective organization of independent theatre owners." Recently, however, an organization known as Exhibitors Co-operative of Canada, Limited, has been formed with a membership operating about 31 theatres. This group does some collective bargaining for pictures, in a comparatively small way. The distributors which have been named as members of the combine are stated to control at least 95 per cent of the distribution of films in Canada.

Protection System Criticized

The Commissioner scores the policy of "protection" as enforced by Famous Players, with the concurrence of the film distributors. Protection, or the withholding of a picture from a subsequent showing for a period of time after the close of a previous run, is found to have been afforded for periods "far beyond what could possibly be justified if it were for the purpose of protecting the business of these first run theatres and not for the purpose of injuring other independent exhibitors." The period of protection is frequently set at 60 or 90 days, and in some cases even at 120 days. It is the Commissioner's conclusion that Famous Players has demanded and obtained for its theatres "protection for periods longer than is necessary for the proper conduct of the business of these theatres, . . . and that this has been detrimental to the public in that:

"(1) It has cost the public more money.

"(2) It has prevented large sections of the public from seeing pictures while they are still fairly new.

"(3) It has given Famous Players and its affiliations an undue advantage over its competitor exhibitors, and over the public generally in Canada."

The entire idea of protection as such is not condemned by the Commissioner:

"I am not prepared to find, on the evidence which I have heard," he states, "that a certain amount of protection may not be of some advantage to the industry, provided that it is not used as a weapon to delay the subsequent runs to such an extent that the subsequent run houses are unduly hampered in their business; and their patrons, who are not in a position to see the first runs at the downtown houses, are unable to see the pictures until after their novelty has disappeared."

Film Booking Arrangements

With regard to "block booking," which is the contracting for a group of pictures offered as a whole; and "blind booking," which is the making of contracts to accept a picture or a number of pictures which have not been produced and consequently cannot be screened and seen before purchase, Mr. White finds that these two systems "prevail generally in the sale of pictures by the distributors in Canada, and that by reason of the consequent overbuying on the part of the exhibitor, and the showing of inferior pictures, the system of distribution by block booking and blind booking is decidedly detrimental to the public."

Films are found to be withheld from independent theatres by contracts and arrangements allowing Famous Players to have first choice of the pictures to be released. Unfair competition against independent theatres is said to be created further by the distributors allowing lower prices to Famous Players' theatres, and granting other concessions of an unduly discriminating nature.

Monopoly Tactics

Evidence of the combine's operations is revealed in the report also in "the acquisition by Famous Players, of many theatres, sometimes by threats of building theatres in opposition to the theatre sought to be acquired, sometimes by threatening to cause the withholding of a supply of suitable pictures, sometimes by taking steps to actually withhold such supply."

Famous Players is found to have purchased theatre sites and obtained options on such sites and to have used these to deter others from building theatres in competition with those of Famous Players. The company is also stated to have closed and kept closed a number of theatres in such a way as to furnish a constant menace to anyone considering the building of a competing theatre.

Practices in Leasing Films

The joint policies of the Canadian film distributors and the Famous Players organization are stated to be put into effect mainly through Motion Picture Distributors and Exhibitors of Canada, an incorporated body of which most of the parties to the combine were members. Leading activities of this association, referred to in Mr. White's report as the Cooper Organization, were the imposition and enforcement of a Standard Exhibition Contract regulating the terms on which films should be leased to Canadian theatres, the formation and control of Film Boards of Trade for governing dealings between the film distributors and the theatre owners, including notably provisions for arbitration and for the enforcement of credit committee rules; as well as general propaganda efforts for the influencing of public opinion.

The exhibitor members of the association are representatives of Famous Players only, and "any benefit to exhibitors has been incidental to the main and primary purpose of the Cooper Organization, which has been to advance the interests of the New York producers and their Canadian subsidiaries."

Rules of arbitration for dealing with disputes between distributors and exhibitors are found to have been adopted by the distributors to suit their own purposes, and the parties to the combine undertook "to enforce the awards of arbitrators by harsh and unreasonable means, leaving the exhibitor, against whom an award has been made, entirely at the mercy of the exchanges."

More British Films

"I have little doubt," reports Mr. White, "that, if it were possible to engage in any real campaign with a view to extending the showing in Canada of British pictures to the limit, much could be done in that direction which would result in placing before our theatre-going public British manners, British English, and British ideals."

In the release year 1928-29, a total of 548 feature pictures were released in Canada, and 401 in the release year of 1929-30. A total of only 73 pictures of British origin were released in Canada in the release year of 1928-29 and the year 1930, or seven and one-half per cent of all pictures provided for the Canadian public. The number of pictures produced in Canada has been of minor importance. The principal British producers whose pictures have been exhibited here are Gaumont British Corporation, Limited; Gainsborough Productions, Limited, and British International Pictures, Limited. Productions of the latter company are distributed in Canada by Regal Films, Limited, a distributor controlled by Paramount Publix Corporation. The Gaumont and Gainsborough pictures are supplied in Canada through the offices of Canadian Universal Film Company, which distributes the productions of Universal Picture Corporation, a United States company. Regarding these selling arrangements the Commissioner states in his report: "I can find no evidence that either of these diistributors has made any serious effort to promote the exhibition of British pictures, and any utterance in the evidence has been of a more or less disparaging nature."

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BRITISH EMPIRE TRUST

The Thirtieth Ordinary General Meeting of The British Empire Trust Company, Limited, was held June 22nd, at the Great Eastern Hotel, Liverpool-street, London, Eng.

Mr. J. Davidson (chairman and managing director) presided and in the course of his remarks made the following references to the economic situation in Canada:

"Canada, in which we are largely interested, has, as a producer of large quantities of primary products, suffered severely as the result of the great fall in prices. Wheat, lumber, newsprint, metals, and many other commodities are at unnaturally low prices, having regard to the cost of production. The decreased purchasing power of the producers of these commodities has in turn reacted on every branch of her industrial activity. These conditions in Canada are undoubtedly aggravated by the fact that this, and other countries to which Canada exports her primary products, are countenancing, if not actually encouraging, the importation of similar products from foreign countries, notably Russia, sold at prices only made possible by the low standard of life of the workers engaged in their production. To the extent to which we in this country import such products, we encourage the producers in foreign countries and discourage the producers in our own country and in the Empire.

"Those who applaud this policy apparently do so on the ground that the importation of cheap commodities, whatever their origin, enables us to keep down our manufacturing costs and thus increase our exports, whereas the exact opposite has been proved to be the case whenever safeguarding duties have been imposed on foreign goods. The hope of increasing our exports by cheapening our cost of production through the purchases of cheap foreign materials and foodstuffs is quite impossible of realization; by such a policy we actually diminish the market for our exports to our Dominions and Colonies to the extent to which we purchase primary products from foreign countries instead of within the Empire. To many of us the policy of encouraging cheap foreign goods produced under conditions of extreme poverty, or even slavery, is bewildering. In my judgment, apart from any other consideration, we in this country run a serious risk in relying for any continuous or considerable proportion of our foodstuffs and supplies of raw materials from foreign countries, especially from such socially disorganized countries as Russia, instead of relying upon ourselves and our own Dominions. It seems to me a most disastrous policy.

"I had looked forward with eagerness to the Economic Conference which was to have been held in Ottawa this summer, hoping that it might have resulted in some form of reciprocity between this country and our Dominions which would increase the supply of primary products which we take from them, and which in turn would increase the quantity of goods they take from us and generally increase our Empire trade. I regret that the Conference has been postponed, as I am confident that a satisfactory outcome of such a Conference would have hastened the recovery which we all expect and desire. In any event a recovery in the prices of primary products seems to me, for the reasons I have already given, an economic certainty, and Canada, as a large producer of such, will be among the first to benefit. Apart from the present low prices of primary products which have caused heavy losses in inventories and accounts receivable to numerous industrial concerns and will certainly involve reorganization in some cases, I do not consider the future outlook in Canada to be nearly so discouraging as in most other countries.

"Canada, during the year 1930, reached the record output of 2,089,766 fine ounces of gold as compared with 1,928,308 ounces the previous year. The production of silver, copper, lead, zinc and petroleum also increased as compared with 1929, and, while there were slight decreases in the production of nickel, asbestos and coal, and lower prices prevailed for all minerals except gold, the total value of minerals produced in 1930 was $278,470,000, as compared with $310,850,000 the previous year. Last year I told you that the total water power development of the Dominion was 5,727,600 h.p. During the past year there has been a substantial addition, bringing the total installation at the end of 1930 up to 6,125,000 h.p., and further large developments are under construction. This is a very important factor in Canadian industrial life, as the availability of cheap power is a great incentive to the expansion of industrial enterprise. While Canada has suffered a considerable set-back in the volume of trade during the past year, she has not suffered to the same extent as many other countries, and we believe that the recovery in Canada will be more rapid than in most other countries."

The chairman reviewed the position of the various Canadian companies with which the company is more closely connected.

Your Investments

Questions and problems on Canadian investments submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram.

Burns & Co.

I would like your opinion of the 5½ per cent first mortgage bonds of Burns & Co. What is the present price of the bonds and do you consider an investment in this security as being safe? I have $2,000 of T. Eaton Realty Co. bonds. Would you advise me to hold these? Which is the safer of the two securities?

The first mortgage bonds of Burns & Co., are quoted among dealers in bonds at 51 bid and 55 ask per $100 of face value of bonds. The T. Eaton Realty bonds are quoted at 95 bid and 96 ask of $100 of face value. The disparity in the market value of these bonds is an indication of the relative safety in the opinion of buyers and sellers of these securities.

Last year Burns & Co. barely earned interest on its bank loans and first mortgage bonds before making any provision for depreciation of plant and equipment. The poor showing for that year was largely attributed to the fact that commodity prices—including the prices for cattle—were falling during most of the year and because of the diminished purchasing power of Western Canada. In view of a partial stabilization of commodity prices in recent months it is possible that the company in the current year will do somewhat better, but, as you know, there is no probability of any great increase in the buying power in Western Canada in the current year so that sales in the company's retail stores and in Western Canada generally may not be materially greater than in 1930.

There is no official information as to the position of the company in the current year. We understand that every effort has been made to promote economy of operation. Normally the company does not make much money in the first half of the year so that the results so far in 1931 are no means of judging what will be the result for the full year.

Massey-Harris; Cockshutt

I would like to have your opinion on Massey-Harris common, and if you think it is a good purchase at the very low price now prevailing, with the idea in mind of holding it for 18 months to two years, perhaps three years. What is your opinion of Cockshutt Plow Co.?

Massey-Harris common stock around its present level is undoubtedly attracting the attention of persons who are interested in speculation. The company has some very large current obligations, but its accounts receivable are likewise large, and it has been the history of this company that eventually it collects a greater part of the money owing to it. Banks are the principal creditors of the company, and in spite of the fact that bond interest currently is probably not being earned a receivership is considered highly improbable. The company, we understand, has reduced its present operating expenses to the minimum and with very large inventories on hand it is likely that the market can be supplied for some time without increasing materially the manufacturing operations. On the great bulk of the company's inventory there should be, we believe, no necessity for writing down values inasmuch as obsolescence is not a serious factor in this business.

Cockshutt Plow Co. is in a similar position to Massey-Harris with the difference that Cockshutt Plow has no funded debt or preferred stock, the common stock being the only capital liability of the enterprise. Cockshutt Plow should recover with other companies in the farm implement business.

Three Fixed Trusts

"I should appreciate receiving your considered opinion of an investment in the 'First All Canadian Trustee Shares' issued by the Montreal Depositors Corp.; also the Corporate Trusts Shares and Canada-America Trust Shares as these appear to represent an investment in the leading Canadian and American investment fields. From the point of view of the small investor, would you consider the purchase of these shares preferable to the purchase of any additional stock?

The three fixed trusts that you mention are all of the distributive type. Each varies from the other in a number of details, some of which we will outline.

Corporate Trust is the second largest fixed trust, and its shares have had a very wide distribution not only in United States and Canada, but in many foreign countries. The 28 stocks in its portfolio are exclusively American, although many of the companies have Canadian subsidiaries. Four shares of each of these 28 stocks are held by the trustee against every 2,000 trust shares issued. This gives a United States trust, but a number of distributors have been appointed in Canada and a good value of shares has been sold in this country.

Canada-America Trust is one of the oldest Canadian trusts and is sponsored by Winnipeg men. This trust has 30 stocks in its portfolio, four shares of each being deposited with the trustee against the issuance of 2,000 trust shares. Of the total six companies are Canadian including Bell Telephone Co., C.P.R., Imperial Oil, Montreal Light, Heat & Power, Ogilvie Flour Mills and Shawinigan Water & Power.

First All-Canadian Trustee Shares was formed in March, 1931, in Montreal, and its shares have not been as widely distributed as have shares of the other two trusts. This trust has 25 common stocks in its portfolio, the number of shares of each varying according to price of the stock. All of the companies represented are Canadian.

Stocks are eliminated from the portfolio of Corporate Trust Shares upon failure to pay dividends for a period of one year and 30 days. Elimination is provided in the portfolio of Canada-America Trust upon failure of a stock to pay dividends for a period of 100 days. No elimination is provided for stocks in the portfolio of First All-Canadian Trustee Shares. The latter trust has a provision not found in the first two in that when the stocks in its portfolio reach a pre-determined price they are to be sold at this price and the proceeds distributed to trust shareholders. When 12 of the 25 deposited stocks shall have been sold in this manner the trust will be terminated, or if this has not happened the trust will terminate on December 31, 1942.

Each of these trusts has a reserve fund for the purpose of stabilizing disbursements. Distributions are made semi-annually at the rate of 70 cents per year on Corporate Trust Shares, 60 cents on Canada-America Trust Shares and 60 cents on First All-Canada Trustee Shares. Should the income of the trust not be sufficient to cover the minimum semi-annual distribution the difference would be made up from the reserve fund. This would continue until the reserve fund had been entirely dissipated or should income of the trust increase the reserve fund would be reimbursed for any amount that had been taken from it to pay semi-annual distribution.

In both Corporate Trust and Canada-American Trust the reserve fund amounting to 70 cents and 60 cents per share respectively is paid in by the investor and is part of his original capital, which is set aside to be paid back as income should the need arise. In the case of First All-Canadian Trustee Shares the sponsors put up the reserve amounting to 60 cents per share so that the investor's capital is all invested in the underlying stocks except for that portion which goes to pay for the voting charge. In return for putting up this reserve fund the sponsors receive 20 per cent of any disbursements made to trust shareholders in excess of 30 cents per share semi-annually. It should be noticed that if any of the underlying stocks are sold because of their having reached the pre-determined price of sale, the proceeds of the sale of this stock would be distributed at the next semi-annual payment date and, together from the ordinary income to be expected of the trust, should bring the semi-annual payment to well over 30 cents a share. In this case the sponsor would take 20 per cent of the excess amount in payment of having provided the reserve found and would, therefore, participate in the capital appreciation of the underlying stocks. This participation could very well exceed the amount provided as a reserve and which passes back to the sponsor of the trust upon its final termination.

Due to the fact that many large corporations have had to reduce their dividends on account of decreased earnings, a number of the fixed trusts of the distributive type which maintain reserve funds have had to use a portion of their reserves to maintain their semi-annual distributions. We understand that Corporate Trust will for the first time dip into the reserve fund to the extent of some 20 cents per trust share in order to pay the semi-annual distribution of 35 cents per trust share due June 30, 1931.

There are so many points to consider in the selection of a fixed trust for investment that it would be impossible to touch on all of them in a letter. We would suggest that you secure a prospectus on each of the fixed trusts that you are considering and, if possible, get a copy of the trust agreement.

We might draw to your attention that there are two chief types of fixed trusts, the distributive type in which the same number of shares retained in the portfolio of the trust irrespective of stock dividends, split-ups or bonuses and the capital accumulative type in which additional stock secured from stock split-ups and in some cases dividends and bonuses are added to the portfolio of the trust. In the first case the additional stock is sold and the proceeds distributed with the next semi-annual distribution. This increases the revenue to be derived from this type of trust, but the increase in return is secured at a sacrifice of principal. Part of the income is return of capital and unless this is treated as such and reinvested, the investor may stand to lose at the termination of the trust since the break-up value of the shares would be reduced. In the capital accumulative type of fixed trust revenue obtained by the investor is less than in the distributive type, but the break-up value of the shares upon termination of the trust is greater due to the retention of additional stock.

The degree of success that will attend an investment in fixed trust shares over the next 10, 20 or 30 years is entirely problematical. It remains to be seen whether a list of high grade common stocks, properly selected, can show the best results over a period of years without any management other than inflexible set of rules. Many of the first fixed trusts were quite rigid and Corporate Trust and Canada-America Trust are of this type. A number of the more recent fixed trusts allow a certain degree of management and under certain conditions this may be advisable. In the fixed trust, however, there can be no trading in and out of stocks since the portfolio is definitely fixed and in most cases provides for elimination but no substitutions or additions.

The management type of investment trust has, in a great many cases, suffered considerable losses during the past two years which do not reflect a great deal of prestige on the respective managements. Because of this situation the fixed trusts have attained a considerable vogue, but they have by no means eclipsed the management type of trust which may be expected to come back to favor as soon as stock market conditions improve materially. We believe that the fixed trusts will not show as good results as the management trusts with a good management, but on the other hand the fixed trust may be a safer instrument for investment than a management trust having a poor management.

Harding Carpets

I own 100 shares of preferred stock of Harding Carpets Ltd. and a similar number of common shares. Would you inform me as to the position of this company and if there is any possibility of dividends being paid?

Harding Carpets, Ltd., started business in 1928 and for 7 months of operation in that year reported a net profit of $7,273 before depreciation. This was the result of several large contracts for carpets in new public buildings. The company has been adversely affected by business conditions in 1929 and 1930 and has never paid preferred dividends. In 1929, the earnings from operations available for depreciation and other deductions amounted to $47,152 and in 1930 the company reported $19,145. In the latter year nothing was written off for depreciation, although a reserve of $12,000 was set up against inventory. The working capital position of the company was not strong and while some progress has been made along certain lines not a great deal can be expected until business conditions improve generally.

We are informed that the company's business during the current fiscal year which ends October 31, has been maintained at or slightly above the 1930 physical volume, and that dollar volume of sales is down about 8½ per cent but that the company has greatly improved its cash position since the last annual report was issued. The contract business is down due to the drop in building, but the company has more dealer accounts than it has ever had, and certain departments are operating at capacity in the manufacture of domestic oriental rugs. The tariff has helped the entire carpet and rug industry, but the price situation is still bad and has as yet shown no improvement. On the whole, the company is holding its own, but there is no immediate prospect of dividends being declared upon the preferred stock.

Corporate Trust

I have $2,000 to invest and have been considering Corporate Trust Shares. What is the standing of this trust and what points should I consider before purchasing shares?

Corporate Trust Shares is reputed to be the second largest fixed trust. The shares have been very widely distributed and this should tend to make a wider resale market for the shares. Provision is also made for the conversion of the Trust shares into the underlying stocks or into cash at any time.

This fixed trust is of the distributive type, semi-annual distribution being made June 30 and December 31, at the minimum rate of 70 cents per share per year, so long as this can be maintained from revenue of the Trust and reserve fund. A reserve fund of 50 cents a share is established to stabilize semi-annual distribution at the above rate. This reserve fund drawn on for the first time to the extent of 21.5 cents a share in making the semi-annual distribution of 35 cents per Trust share due on June 30, 1931. This is made necessary by the fact that many of the industries whose stocks are held by the Trust, have found it necessary to reduce their dividends due to the current business depression. If the reserve fund were entirely used up in maintaining semi-annual distribution at 70 cents a year, the distribution would then be derived entirely from the income of the Trust. Sponsors of fixed trusts state that over a period of years, it should not be necessary to call upon the reserve fund on very many occasions.

One point which must be considered in the purchase of a fixed trust of the distributive type is that a portion of the semi-annual distribution is derived from the sale of stock split-ups, dividends, bonuses, etc., and are therefore a partial return of capital. This has the effect of decreasing the break-up value of the shares upon termination of the Trust although the income derived through the Trust shares is greater than in the capital accumulative type of fixed trusts.

The sponsors of Corporate Trust shares have recently made some changes in the provisions of the Trust in accordance with the suggestions recently issued by the New York Stock Exchange. We believe these changes are to the investors' interest.

The portfolio of the Trust includes the common stocks of 28 large corporations and may be regarded as satisfactory. Against each 2,000 Trust shares there is deposited with the trustee four shares of each of these companies.

Bonded Royalties

A representative of the Bonded Royalties Ltd., has asked me to put some money into the participation trust certificates of the Bonded Royalties Ltd. which certificates are handled through the Imperial Trusts Co. of Canada.

What is your opinion regarding Bonded Royalties Ltd.? At the present time the return on the money invested seems to me to be so high that I am for that reason the least bit suspicious of this proposition even as a speculation let alone as an investment.

I would appreciate it if you would write to me advising me regarding this company and also regarding their participation trust certificates.

Bonded Royalties Ltd. is a syndicate which is selling units of participating rights in royalties bought in the Oklahoma field. The owner of a unit gets his pro rata share of the total amount collected by the syndicate less any fees or charges or expenses of the administrator, which is the Imperial Trust Co. of Canada, Toronto. There are various classes of royalties, and it is difficult to determine whether or not this is an advantageous one.

The return on all royalties should be considered in part a return of capital. The experience of some royalty owners is that they bought at the peak of production and that the return has diminished rather rapidly thereafter. Whether or not this is the case with respect to the syndicate you mention, it is impossible to determine at this distance from the scene of operation.

Ottawa Valley Power

I purchased Ottawa Valley Power Co. 5½ per cent 40 year sinking fund gold bonds at 95¼ and as these bonds have now advanced above par I am thinking of selling and buying Ontario Power Service Corp. 5½'s due 1950. Is this switch advisable?

The difference in price between the Ottawa Valley 5½'s due 1970 and the Ontario Power Service 5½'s due 1950 would indicate that there is some difference in security in favor of the former issue. The Ontario Power Service bonds appear to be amply secured, but since the company is owned by Abitibi Power & Paper Co., the price of the bonds is affected by the current situation in the pulp and paper industry. There is a possibility that should anything unfavorable develop in this industry it would adversely affect the bonds of Ontario Power Service.

The development work at Abitibi Canyon is progressing up to schedule, and will be completed on or before October, 1932. As you may know, the Ontario Hydro-Electric Power Commission has agreed to purchase 85,000 h.p. upon completion of the plant not later than October, 1932, and this amount will increase annually until a total of 100,000 h.p. is purchased in 1936 and annually thereafter until 1971. The contract is renewable by the Commission until 1982. Abitibi Power & Paper Co. has agreed to purchase all power produced by Ontario Power Service and not purchased by the Hydro-Electric Power Commission and will use the power for steam generation at its mills at Iroquois Falls and Smooth Rock Falls. The initial installation will amount to 275,000 h.p., while the maximum capacity of the site is 375,000 h.p.

We can see no objection to an exchange of Ottawa Valley Power bonds for those of Ontario Power Service except that the latter bonds are liable to be affected temporarily by conditions in the pulp and paper industry.

Buy Out of Income

"A representative of Canadian Financial Founders Ltd., has called on me, and is very anxious to sell me Diversified Trustee Shares, Series "C." He would like to sell me on the partial payment plan, which I do not care for. I have no ready cash, but could buy some if I were to sell some preferred stock that I hold such as Calgary Power, and Nova Scotia Light, Heat & Power Co. Kindly let me have your comments.

If you do not care for the partial payment plan combined with insurance protection as offered by Canadian Financial Founders, Ltd., there would appear to be no object in purchasing one of their certificates. The whole plan of this company is directed to appeal to investors who have no great amount of money on hand at the present time, but are willing to make periodic payments over a period of ten years. The insurance protection offer is on the unpaid balance of such payments. Naturally, this service costs money. You can buy Diversified Trustee shares, series "C," or a later series, "D," direct from a number of distributing houses in Canada. Share certificates of this fixed trust are issued in denomination of five shares and upward. The current asked price of the series "D" shares is 5⅝ so that a start could be made on as little as $30. The series "D" shares has been put on the market within the past month or so, and it would probably be advisable to buy series "D" shares rather than series "C."

We believe that if you were to sell the preferred shares of either Nova Scotia Light & Power Co., or Calgary Power Co., you would run the risk of losing some of the security which you now have. Both of these companies have had a very satisfactory record, and in 1930 both earned their preferred dividends by a very wide margin. Each preference share of Calgary Power Co. earned $11.41 as against a dividend requirement of $6 and each preference share of Nova Scotia Light & Power earned $20.11 as against a dividend requirement of $6. Both companies maintained their position as shown in 1929. If you were interested in buying fixed trust shares, we would suggest that you do so out of income rather than selling your present securities.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Ruby Oil & Coal

What is Ruby Oil and Coal stock worth? A man wants to deal me some and I never heard of it before.

Ruby Oil & Coal Syndicate stock has no intrinsic value. It is not listed, nor can it be disposed of conveniently.

The company was formed to prospect James Bay Basin area for coal and oil. Prospecting for oil by other companies has met with failure and eminent geologists do not look with favor on it as a potential oil field. There are huge deposits of lignite coal in the area, and the Ontario Government has been most active in its exploration. It has not demonstrated its commercial value at the present time, and the Government is working on methods for its beneficiation that will make it desirable for industrial and domestic use. In order to prevent exploitation and promotion by independent companies the Government has withdrawn from staking the area known to contain commercial deposits. Whether the Ruby Co. has coal in quantity is really not of great significance. The main problem is to find best methods that will permit of its use economically. It is such a huge undertaking that only the Government or an amply financed company could possibly carry the test to conclusion.

Big Missouri

I should like information on both Big Missouri and Central Manitoba. What recovery is being obtained from the pilot mill of Big Missouri? Do you know whether the two mines mentioned have a chance of a fair recovery in prices within the next two months?

Big Missouri is a misapprehension in the minds of most investors. Big Missouri stock which is traded in on the board is an American company which owns about 47 per cent interest in the Buena Vista Mining Co. which owns the Big Missouri mine in British Columbia. Of the Buena Vista Mining Co. 53 per cent is owned by the Consolidated Mining & Smelting Co., which is developing the property, thus by buying Big Missouri Mining Co. shares you are acquiring an interest in the company that has only 47 per cent interest in the mine, but this is the only way, except by buying Consolidated Mining & Smelting Co. shares, that an interest can be had in the undertaking.

Consolidated Mining & Smelting Co. is reticent regarding developments at the property. It is stated that several months will be required before bulk sampling in the 100-ton pilot mill will have determined the merits of the property. The property doubtless has merit, otherwise Consolidated Smelters would not have gone to the expense that they have, but the importance of the property will not be known until bulk sampling has been completed. We know of no new road connecting the property with the Western Pacific Railway.

Central Manitoba is making some progress and meeting expenses. The chief difficulty with the company seems to be in establishing commercial ore reserves and the small profit that it is able to eke out goes back into development. Production runs around $40,000 per month, but no financial statement has been made available for the past eighteen months, and costs are unknown.

Howey Gold

I own some shares in the Howey Gold costing us somewhere around $1.30 per share. I would like to know more about this company and your view as to the present market level, whether to sell what I have on hand or would you advise me to buy some more and average up?

The present market price for the stock of Howey Gold is reflecting the uncertain position the company is in. It apparently has a large tonnage of low grade ore and success rests with the ability of the company to reduce costs to the point where it can be made profitable. The company's financial position is a mill stone weighing down its efforts, but this is being gradually relieved and once it works out of this position and pays up its obligations its chances for success will greatly increase.

Recently a change in management has introduced some outstanding men which assures that the property will be given a thorough try out.

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Undervalued

Despite depression, savings deposits in Canada have increased over $50,000,000 since last summer.

Reviving confidence will presently set in motion this great reserve of latent buying power, seeking larger yields than are offered by government bonds.

As competitive buying should presently eliminate many of the bargains now available in sound corporation securities, we have prepared a list of such securities which we consider undervalued by the market.

Ask for List 11

Greenshields & Co
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THE **ONTARIO LOAN AND DEBENTURE CO.**
LONDON, CANADA
60 Years in Business
Capital $2,000,000 — Reserve Fund $3,200,000
The Company's Debentures are a legal investment for Trust Funds which may also be deposited in the Company's Savings Department.
Money loaned on First Mortgages, including building loans. *Applications invited.*
A. M. SMART, *President.* T. H. MAIN, *Manager.*

OSLER & HAMMOND
Stock Brokers and Financial Agents
Members
Toronto Stock Exchange
Montreal Stock Exchange
Montreal Curb Market
New York Curb Market (Associate)

21 Jordan Street
TORONTO

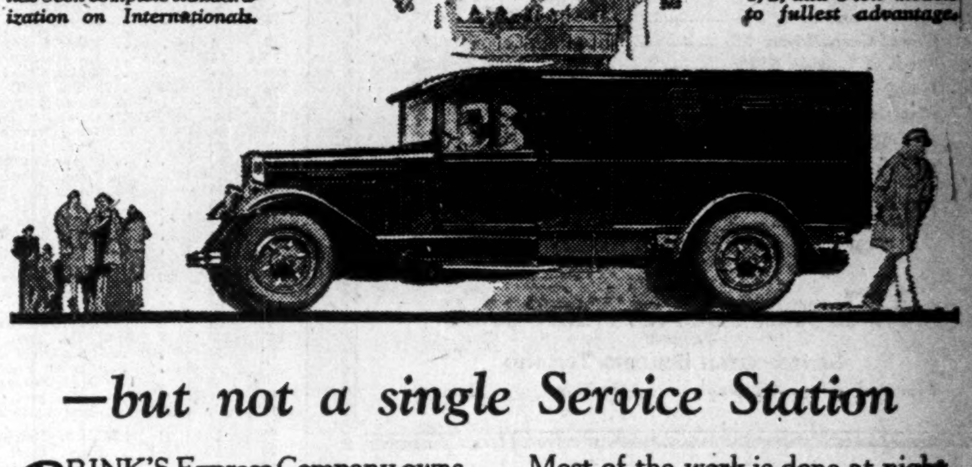
215 St. James St. West
MONTREAL

National Steel Car
Corporation • Limited

Builders of Passenger Cars — Freight Cars — Street Cars — Air Dump and Industrial Cars of all descriptions. Automobile Chassis Frames, Woodwork and Parts — Steel Pressings — Forgings — Drop Forgings.

HAMILTON, ONTARIO, CANADA
621 St. James Street, MONTREAL, QUE.

BRINK'S
have over 500 Internationals



BRINK'S experience with trucks takes in many makes and many years. The result has been complete standardization on Internationals.

While the International line includes 2½, 3½, and 5-ton trucks, the need for speed has resulted in Brink's using the ¾, 1, 2, and 3-ton models to fullest advantage.

—but not a single Service Station

BRINK'S Express Company owns a fleet of over 500 Internationals. They have branches in 78 of the largest cities. Their trucks serve these and 537 other cities and towns. *Yet Brink's do only the emergency servicing themselves.*

The bulk of this big service job is handled by Company-owned branches and International truck dealers. From routing greasing to mechanical maintenance, the work is done by trained mechanics with fast, modern shop equipment.

Most of the work is done at night—for Brink's rigid schedules must not be interrupted. And regardless of where the day's work takes them, the trucks are so serviced that they stay on the job profitably for years, for International service is available wherever Brink's have trucks.

It is this unique "after-sale" service that has helped to give International trucks their fame. Every user swears by it and so will you when you put your first International to work—and your five-hundredth!

INTERNATIONAL TRUCKS
INTERNATIONAL HARVESTER COMPANY
HAMILTON of Canada, Limited CANADA
WESTERN BRANCHES—Brandon, Winnipeg, Man.; Calgary, Edmonton, Lethbridge, Alta.; Weyburn, N. Battleford, Regina, Saskatoon, Swift Current, Yorkton, Saskatchewan; Vancouver, B.C.
EASTERN BRANCHES—Hamilton, London, Ottawa, Toronto, Ont.; Montreal, Quebec, Que.; St. John, N.B.

Bongard & Company

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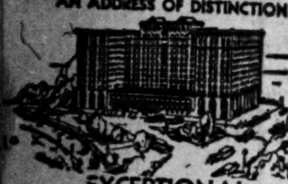
"AN ADDRESS OF DISTINCTION"



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THE Toronto General Trusts is not affiliated with any other financial institution. With a reserve and undivided profits of $4,000,000 and a capital of $3,000,000 it enjoys a strong position; while its experience in all trust capacities for individuals and business concerns extends over a period of forty-nine years.

Independence, integrity and experience are the first essentials in a trustee. This Corporation offers the public of Canada an unexcelled and unbiased service based on these.

W. G. Watson
General Manager.

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CORPORATION
Capital, Reserve and undivided profits over $7,000,000

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We offer—

	Due	Price	Yield %
Province of Ontario, 4%	1965	93.82	4.35
Province of British Columbia, 4%	1960	93.48	4.40
Province of New Brunswick, 4½%	1961	101.66	4.40
Dominion of Canada, guaranteeing Canadian National Rys., 4¾%	1955	104.00	4.47
City of London, 4½%	1946	100.60	4.45
City of Vancouver, 5%	1965	103.34	4.80
City of Grand'Mere, 5%	1937-48	Rate	4.90
Town of Leaside, 5½%	1937-49	Rate	5.05
Gatineau Power Co., 5%	1956	92.00	5.60
Maclaren-Quebec Power Co., 5½%	1961	95.00	5.85
National Light & Power Co., 6%	1949	100.00	6.00
P. T. Legare Co., 6%	1947	99.00	6.10

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Stocks

WEEK ENDING JULY 6

Range 1931 High	Low	Divd. Rate $	Yield in % July 4		Close June 27 (or last)	Week Ending July 6 High	Low	Close
13¾	3¼	.	...	Abitibi, c.	5	5	4⅝	5
50	14	.	...	Do. pref.	19	20	17	19
105	105	7	6.66	Do. pref.	105	..	..	..
8	7	.	...	Agnew Surp., c.	7½	..	..	..
88	84	7	8.33	Do. pref.	84	..	..	..
6¼	2½	.	...	Alta. Pac. Grain	3	..	..	..
30	15	.	...	Do. pref.	15	..	..	..
4	3	.	...	Amal. Electric	3¼	..	..	..
18	10	.	...	Do. pref.	10½	..	..	..
3½	2½	25c	...	Anglo Nor. Hold.	3	..	..	..
.50	.25	.	...	Asbestos	.25	..	..	..
2	½	.	...	Do. pref.	½	¾	¾	¾
9	5¾	1	16.66	Assoc. Brew.	6	6½	5¾	5¾
70	67	7	10.00	Do. pref.	70	70	70	70
10	4	.	...	Assoc. Can.	4	4	4	4
69	65	4+50	...	Assoc. Tele.	66	..	..	..
87	87	6	...	Do. pref.	87	..	..	..
87¼	12¾	.	...	Atlan. Sugar	21	25	23	25
105	79¾	.	...	Do. pref.	92	..	..	..
175½	158¼	10	6.09	Bk. Can. Nat.	165	164	164	164
303	236½	12+2	5.24	Bk. Montreal	266	268	266	267
326	284	16	5.08	Bk. of N. Scotia	314	310½	310½	310½
238	217	12+1	5.92	Bk. of Toronto	220	220	219	220
24	8½	.	...	Barcelona Tr.	8½	..	..	..
5¼	4	.	...	Bathurst Pr.	4	4	4	4
4	2	.	...	Do. (B)	2	2	2	2
x26	26	.	...	Bawlf Grain	..	..	..	..
25	20	.	...	Do. pref.	20	..	..	..
12	6	.	...	Beath & Sons	6	..	..	..
20	12	2	15.38	Beatty Bros.	13	..	..	..
80	60	6	9.98	Do. pref.	60	..	..	..
8½	3	.	...	Beauharnois	7	6½	6	6
93	85	7	8.23	Belding Cort.	85	..	..	..
100	100	7	7.00	Do. pref.	100	..	..	..
55	10	.	...	Belgo C. P. pf.	10	..	..	..
151⅞	127	8	5.71	Bell Telephone	141	140½	139	140
4½	3	.	...	Biltmore Hats	3	..	..	..
65	60	7	10.76	Do. pref.	65	..	..	..
x22	14	.	...	Bissell	..	..	..	..
x97	88	.	...	Do. pref.	..	..	..	..
20	12	2	10.52	Blue Ribbon Cp.	20	20	19	19
38	30	3.25	9.02	Do. pref.	36	..	..	..
22½	14	2	12.90	Brant. Cd. pf.	15½	..	..	..
28½	12⅝	2(a)	...	Brazilian Tr.	23	24	20⅞	23
x2	⅞	.	...	Brew. & Distil.	..	..	..	..
16½	8	80c	6.95	Brit. Amer. Oil.	12⅛	12¼	11	11½
3½	½	.	...	B.C. Packers	1	1½	½	1½
22	5	.	...	Do. pref.	5¼	..	..	..
42½	33	2	5.19	B.C. Power	38½	38¾	37¼	38
18	10	.	...	Do. (B)	14	14	12½	12½
3	1	.	...	B.E. Steel	1¼	..	..	..
21	18½	.	...	Do. 1st pref.	18½	..	..	..
3½	1⅜	.	...	Do. 2nd pref.	2¾	..	..	..
8	4½	.	...	Bruck Silk Mills	7½	7½	7½	7½
26	16⅞	2	9.93	Building Prod.	22	22	20½	20⅛
44¼	29½	3	8.57	Burt, F. N.	34	35	34½	35
146	140	6	4.28	Calgary Pr.	140	..	..	..
7⅞	3⅛	50c	11.76	Can. Bread	5	5	4¼	4¼
100	87	7	7.95	Do. pref. (A)	90	88	87	88
80	55	7	12.72	Do. pref. (B)	55	..	..	..
14¼	8¾	1	8.69	Canada Bud	11½	12	11¼	11½
18⅞	8¾	.	...	Can. Cement	12½	12½	11¼	11¼
96½	86½	6.50	7.18	Do. pref.	90	91	90	90
b45	29⅞	3	7.05	Canada Dry	44¾	44⅞	40¾	41⅞
12	10	1.50	15.00	Can. Forg. (A)	10	..	..	..
x16	5	.	...	Do. (B)	..	..	..	..
68	66	3	4.44	Canada Iron	66	..	..	..
76	60	6	10.00	Do. pref.	60	..	..	..
16½	10¾	1.50	11.53	Can. Malting	13	13	13	13
25½	15	80c	3.13	Can. Nor. Pr.	23	25½	25	25
107	104	7	6.54	Do. pref.	106	107	107	107
6	1	.	...	Can. Paving	2	..	..	..
51	25	7	...	Do. pref.	25	..	..	..
216	200	12	5.76	Can. Perman.	205	208	208	208
4.50	.50	.	...	Can. Pr. & Pap.	.60	.87	.50	.60
9	3¼	.	...	Can. Steam.	3⅞	3¼	3¼	3¼
27	9	.	...	Do. pref.	14⅞	14	14	14
20	14½	1.60	8.64	Can. Vinegar	16½	18½	18	18½
70	54½	4	6.34	Can. W. Cable	66	63	63	63
80½	20	1.75	7.95	Do. (B)	22	22	22	22
16	9¾	.	...	Can. Bakeries	9¾	..	..	..
35	35	4	11.42	Do. pref.	35	..	..	..
232	199	12+1	6.15	Can. Bk. of Com.	213	213	210	212
36½	19	2.50	11.36	Can. Bronze	23½	23	22	22
110	105	7	6.66	Do. pref.	108	105	105	105
18¼	8	50c	5.88	Can. Canners	8½	8½	8½	8½
92¼	83	6	7.22	Do. 1st pref.	84	83	83	88
14	8¾	80c	8.00	Do. 2nd pref.	10	10½	10	10⅛
19	9⅛	1.75	14.73	Can. Car & Fdy.	13	13	11¾	12
25¼	16⅞	1.75	8.33	Do. pref.	22	21½	21	21
14½	6⅛	.	...	Can. Celanese	7	..	..	..
70¾	59	7	10.29	Do. pref.	66½	70	67	68
58	30	4	12.50	Can. Converters	32	..	..	..
x50	45	.	...	Can. Cottons	..	..	..	..
55	51	6	11.76	Do. pref.	51	..	..	..
36½	28¾	3	10.25	Can. Dredge	30	30	29	29
92	92	7	7.60	Do. pref.	92	..	..	..
81⅝	79	6	7.59	Can. Fairb. pf.	79	..	..	..
6	5¾	.	...	Can. For. Inv.	5¾	..	..	..
80	80	8	10.00	Do. pref.	80	..	..	..
300	200	4	1.90	Can. Gen. Elec.	210	..	..	..
63¼	59½	3.50	5.64	Do. pref.	62½	63¼	62	63
80	52	6	8.57	Can. Hyd. E. pf.	69	70	68	70
5¼	1½	.	...	Can. Ind. Alc.	1⅞	3¼	1⅞	3
3½	¾	.	...	Do. (B)	1	..	..	..
5.00	3.95	.	...	Can. Int. I. Tr.	3.95	..	..	..
70	67¼	5	7.43	Do. pref.	67¼	..	..	..
42	15	1	3.38	Can. Lt. & Pr.	29½	..	..	..
18	18	.	...	Can. Locomo.	18	..	..	..
25	10	.	...	Do. pref.	10	..	..	..
b4½	1⅞	.	...	Can. Marconi	3⅛	3¼	2¾	2¾
23½	9	1	8.51	Can. Oil	12	12⅞	11¾	11¾
120	100	8	8.00	Do., pref.	100	..	..	..
45¼	24¼	1.25	4.46	Can. Pacific	29	28½	26½	27⅝
6½	5	.	...	Can. P. & P. Inv.	5	..	..	..
6½	2⅞	.	...	Can. Vickers	3	..	..	..
35	16	.	...	Do. pref.	20	20	20	20
6	2½	50c	11.44	Can. Wineries	4	4⅜	4	4¼
16	9	1	11.11	Can. Wire Box	9	..	..	..
3	1	.	...	Carling Brew.	1½	1½	1½	1½
12	12	.	...	Catelli Mac., A.	12	..	..	..
x10	9	.	...	Do. (B)	..	..	..	..
301	290	12+3	5.00	Cent. Can. Loan	300	..	..	..
5.35	1.50	.	...	Chem. Research	2.60	2.50	1.85	1.90
64	57	2	...	City Dairy	60	..	..	..
x155	120	7	...	Do. pref.	..	..	..	..
20.25	10.00	30c(c)	...	Cities Service	13.50	12.00	12.00	12.00
10	4¾	.	...	Cockshutt Plow	7¼	7	6¼	6½
9	3	.	...	Comm. Alc.	3	..	..	..
9	4	.	...	Conduits	4	..	..	..
94	84	7	7.77	Do. pref.	90	..	..	..
12⅞	7½	1	9.09	Cons. Bakeries	11	11½	10½	11
3	½	.	...	Cons. Food. Prod.	1½	¾	¾	¾
6	3	.	...	Do. (A)	3	..	..	..
18⅝	10¼	80+20c	6.55	Cons. Indust.	15	15⅝	15	15
31	25	2	8.00	Cons. Press	25	..	..	..
80	62	7	11.29	Cons. Sand, pref.	62	..	..	..
188¼	71¼	2.50†	2.25	Cons. Smelters	115½	114½	105	111
187	180¾	10	5.42	Consumers' Gas	183⅛	184¼	184	184¼
x35	30	.	...	Cooksville Co.	..	..	..	..
x85	85	4	...	Do. pref.	..	..	..	..
20½	15	.	...	Corporate Steel	15	..	..	..
x90	90	.	...	Corr. P. Box, pf.	..	..	..	..
2.10	1.00	.	...	Cosgrave Br.	1.75	1.75	1.75	1.75
9	5	.	...	Cosmos Imp.	6	7	6	7
93	75	7	9.33	Do. pref.	75	..	..	..
6½	2	.	...	Crown Dom. Oil.	4	4	4	4
15	8½	3	...	Crow's N. Coal.	13	..	..	..
5	4	.	...	David & Frere B.	4	..	..	..
12½	12½	.	...	De Havilland	12½	..	..	..
15	8	.	...	Disher Steel	..	..	..	..
18	17	1.50	...	Do. pref.	..	..	..	..
12⅞	8	1	10.25	Distill-Seagram	9¾	10	9¾	9¾
223	208	12+1	6.18	Dominion Bank	208½	211	209	209
55¾	27¼	3	8.33	Dom. Bridge	36¾	36	34½	35
40	40	.	...	Dom. Coal	40	..	..	..
50	15	.	...	Dom. Engineer.	18	18	18	18
x14	10	.	...	Dom. Foundries	..	..	..	..
126	90	7	6.63	Dom. Glass	105½	..	..	..
125	119	7	5.60	Do. pref.	125	..	..	..
20	20	.	...	Dom. Iron pfd.	20	..	..	..
14	10	.	...	Dom. Pr. Stubs.	13	..	..	..
24	24	.	...	Dom. Steel pf.	24	..	..	..
8¼	2¾	.	...	Dom. St. & C. B.	4	3¾	3⅝	3¾
24¼	13¾	1.20	5.33	Dom. Stores	22	22½	21⅝	22
14	7	.	...	Dom. Tar & Ch.	8	8	7	7
93	82	6.50	7.92	Do. pref.	82½	82	82	82
83	63	5	6.99	Dom. Textile	73½	71½	71½	71½
123	120	7	5.78	Do. pref.	121	..	..	..
12	10	.	...	Donnacona	10	10	10	10
7	2½	.	...	Dryden Paper	3	4	3¾	3¾
7½	3	.	...	Duff. Paving	6	6	6	6
80	68¼	7	10.00	Do. pref.	68¼	70	68¼	68¼
11¾	4	40c	7.27	Durant Motors	6	5½	5½	5½
25½	16	1	4.34	East. Dairies	24	23	23	23
20	18	1+1	...	East. Steel	18	..	..	..
100	97	7	7.21	Do. pref.	97	..	..	..
16	16	.	...	East Koot. Pr.	..	16	16	16
97	94⅝	7	7.29	Do. pref.	96	..	..	..
x34	28½	2	...	East. Theatres	..	..	..	..
x85	80	7	...	Do. pref.	..	..	..	..
3¾	3¾	.	...	Easy Washer	3¾	..	..	..
37	34¾	2.50	7.14	Economic Inv.	35	..	..	..
15	15	.	...	Edmonton Da'y	15	..	..	..
80	80	6.50	...	Do. pref.	80	..	..	..
8	5	.	...	Enamel & Heat.	5	..	..	..
40	28½	3	10.00	Eng. Electric	28½	30	30	30
16	10	.	...	Do. (B)	10	..	..	..
39½	16	2	9.09	Fam. Players	22	..	..	..
33½	18	2	11.11	Do. Vot. Trust	18	..	..	..
18	9¾	1	8.33	Fanny Farmer	10	12	11¾	11¾
34	28	2.40	7.38	Do. pref.	32½	..	..	..
x.25	.10	.	...	Federal Distil.	..	..	..	..
x83½	75	.	...	Firstbrook Box	..	..	..	..
29¼	14½	1.20	6.40	Ford Motors (A)	18¾	18¾	18¼	18¼
15	6	.	...	For. Pr. Secs.	9	12½	10	12½
16½	8¼	1	8.33	Foundation Co.	12	..	..	..
3.00	.90	.	...	Fraser Cos.	1.00	1.00	1.00	1.00
25	25	.	...	Frontenac Br. p.	25	..	..	..
8	5	.	...	Frost Steel	7	..	..	..
96½	85	7	8.04	Do. pref.	88	..	..	..
7¼	2¾	.	...	Gen. Ste. Wares.	3½	3½	3⅛	3¼
119	70	5+2.50	7.50	Goodyear Tire	100	101	100	100
107⅞	94¼	7	7.00	Do. pref.	99	100	99	100
93¼	93¼	7	7.50	Gould Pumps, p.	93¼	..	..	..
¾	½	.	...	Gt. W. Saddlery.	½	..	..	..
8	6	.	...	Do. pref.	8	..	..	..
31	20	2	7.84	Gurd, Chas.	25½	25½	25	25½
108	108	7	6.48	Do. pref.	..	108	108	108
12⅞	7⅛	80c	8.88	Gypsum, Lime	9	9⅛	8	9¼
20¼	7	.	...	Ham. Bridge	12	11¾	8	8⅝
80	63	6.50	10.15	Do. pref.	64	..	..	..
19	13	2	15.38	Ham. Cotton, pf.	13	..	..	..
4½	3	.	...	Ham. Un. Theat.	3	..	..	..
63	55	7	11.66	Do. pref.	60	..	..	..
12	4	.	...	Hayes Wheel	8	..	..	..
x95	80	.	...	Do. pref.	..	..	..	..
x50	50	.	...	Hillcrest Coll.	..	..	..	..
x91	91	.	...	Do. pref.	..	..	..	..

Range 1931 High	Low	Divd. Rate $	Yield in % July 4		Close June 27 (or last)	Week Ending July 6 High	Low	Close
4	3½	.	...	Hinde & Dauch.	3½	..	..	..
x120	120	.	...	Holt Renfrew	..	..	..	..
x96¼	90	7	...	Do. pref.	..	..	..	..
7	7	.	...	Honey Dew	7	..	..	..
59	50	7	13.20	Do. pref.	53	53	53	53
6	3	.	...	H. Smith Pap.	3	4	4	4
45¼	30	.	...	Do. pref.	38	..	..	..
20	15	2	12.50	Humberstone Sh.	16	..	..	..
23½	17	1.40+50	10.55	Hunt (A)	17	..	..	..
23¼	19	1.40+50	8.17	Do. (B)	23¼	..	..	..
150	146	8	5.47	Huron & Erie M.	146	146	146	146
29¼	28½	.	...	Do. 20% paid.	28½	..	..	..
29⅞	16¾	1.40	6.36	Hydro Electric	22	..	..	..
225	201	12+1	6.24	Imperial Bank	211	211	208	208
18⅝	9⅞	50+50c	7.54	Imperial Oil	13¾	13⅞	12⅝	13
10½	9	35+20c	5.78	Imperial Tob.	9¾	9¾	9½	9¾
29	22	2	...	Int. Hyd. E. (A)	22	..	..	..
103	97½	7	7.17	Inter. Mill., pf.	97½	..	..	..
x92	88	6	...	Do. Series (A)	..	..	..	..
20½	9½	60c	3.75	Inter. Nickel	16¼	16⅝	15⅛	16
10	5	.	...	Inter. Paints	5	..	..	..
b10¼	4	.	...	Int. Pa. & Pr. A	5¾	6	5	6
b6	2½	.	...	Do. (B)	3	..	..	..
b4½	1¾	.	...	Do. (C)	2¼	2⅝	2¼	2⅝
b43½	18½	.	...	Do. pref.	25½	25⅛	24½	24¾
15½	8¾	1	8.33	Inter. Pete.	11⅞	12¼	11⅞	12⅛
8	5½	.	...	Inter. Power	5½	..	..	..
70⅛	60	7	...	Do. pref.	66	69	66	69
45	31	3.50	10.21	Int. Util. A)	34¾	34¾	33	33
11	5¾	.	...	Do. (B)	8	9	8½	9
40	40	1	2.50	Jam. Pub. Ser.	40	..	..	..
109	103	7	6.79	Do. pref.	103	..	..	..
5	2½	.	...	Kelvinator	4⅛	..	..	..
80	73¼	7	8.75	Do. pref.	80	..	..	..
x40	40	.	...	King Ed. Hotel.	..	..	..	..
24	9¾	.	...	Lake of Woods.	10	9⅞	9⅞	9⅞
101	95	7	7.36	Do. pref.	95	..	..	..
x190	180	8	...	Landed Banking	..	..	..	..
46	33	3	8.05	Laura Secord	37¼	37¼	37	37¼
16	9	1	10.00	Lindsay, C. W.	9	10	10	10
72½	65	6.50	9.70	Do. pref.	67	..	..	..
14¾	11	80c	6.40	Loblaw (A)	12¼	12¾	12⅛	12¼
14¾	10	80c	6.80	Do. (B)	11¼	11¾	11½	11¾
x2¾	2¾	.	...	Loew's, London	..	..	..	..
25	10	.	...	MacKin. Steel	20	..	..	..
95	92	7	7.60	Do. pref.	92	..	..	..
x36	20	.	...	Manitoba Pr.	..	..	..	..
8	6	.	...	Maple Leaf	6	..	..	..
40	20	.	...	Do. pref.	22	20	20	20
32	30	.	...	Marcus Loew's	30	..	..	..
71	70	7	10.00	Do. pref.	70	..	..	..
10½	3⅝	.	...	Massey-Harris	5	5⅛	4¾	5
22½	9⅝	60c	4.36	McColl Fron.	15	14	13	13
80	69¾	6	7.59	Do. pref.	72¼	80	78	80
45	42	.	...	Mexican L. & P.	42	..	..	..
x25	25	.	...	Mercury Mills	..	..	..	..
x89	58½	.	...	Do. pref.	..	..	..	..
40½	40	1	2.50	Mitchell, J. S.	40	..	..	..
105	105	7	6.66	Do. pref.	105	..	..	..
20	14	1	7.14	Mitchell, Robt.	14	..	..	..
1	1	.	...	Monarch Knit.	1	..	..	..
38	38	.	...	Do. pref.	38	..	..	..
95½	83½	6	6.41	Montreal Cot.	88½	93½	93½	93½
100	98	7	7.00	Do. pref.	100	100	100	100
8½	3	.	...	Montreal Ex.	3	..	..	..
20	15⅞	.	...	Mont. Is. Pr.	16	..	..	..
68¼	38⅛	1.50	3.29	Mont. L. & Pr.	47	47	45	45¾
49½	48	3+25	6.77	Montreal Loan	48	48	48	48
52	48	3.20	6.53	Montreal Tele.	50	49	48	48
177	150	10	6.45	Mont. Trams.	150	155	155	155
17¾	11½	1	8.16	Moore Corp., c.	12	12¼	12⅛	12⅛
108½	98	7	7.12	Do. (A)	99	98¼	98¼	98¼
126	103½	7	6.25	Do. (B)	108	112	112	112
x10	10	.	...	Mt. Royal Hotel	..	..	..	..
x49	49	1	...	Do. pref.	..	..	..	..
3¼	2	30c	...	Muirheads	2	..	..	..
10	6	75c	7.50	Do. pref.	9½	..	..	..
35¾	24	1.60	5.60	Nat. Brew.	29	28⅞	27¾	28¾
34¾	27	1.75	5.46	Do. pref.	33	32	32	32
x10	3	.	...	Nat. Brick	..	..	..	..
19	5	.	...	Do. pref.	5	..	..	..
.50	.25	.	...	Nat. Distilleries	.40	..	..	..
42	18½	2	9.09	Nat. Steel Car.	23¼	23	21¾	22
360	276½	14	5.01	National Trust	278	279	279	279
13	11	1.50	13.62	Niag. W. Weav.	11	..	..	..
36	35	3	8.57	Do. pref.	35	..	..	..
x90	89¾	.	...	Nor. Mex. Pr.	..	..	..	..
70	70	7	10.00	Do. pref.	70	..	..	..
6.00	2.00	.	...	North Star Oil.	3.50	..	..	..
4.95	4.50	35c	7.44	Do. pref.	4.70	..	..	..
x25	22¼	.	...	N.S. Steel, pref.	..	..	..	..
285	125	8	4.10	Ogilvie Flour	165	195	180	195
130	118¼	7	5.92	Do. pref.	118¼	..	..	..
21	15	6	3.75	Ont. Eq. 10% p.	17	16	16	16
118	118	6	5.12	Ontario Loan	118	117	117	117
7	5	.	...	Ont. Silknit	5	7	6	7
16	13	80c	6.15	Ont. Steel	13	..	..	..
x105	105	7	...	Do. pref.	..	..	..	..
1¼	1	.	...	Orange Crush	1	1	1	1
60	50	7	12.72	Do. (A)	53	55	55	55
5½	4	.	...	Do. (B)	..	..	..	..
99	90	6	6.06	Ott. L. H. & Pr.	95	99	95	99
104	102	6.50	6.31	Do. pref.	103	103	103	103
25	25	.	...	Ott. Traction	25	..	..	..
92⅞	68	5	6.09	Page Hersey	81	82½	80½	81¼
49	25	2.50	...	Paramount	25	..	..	..
35	34	.	...	Paton Mfg.	35	..	..	..
82	82	7	...	Do. pref.	82	..	..	..
½	¼	.	...	Pelissiers	⅜	..	..	..
25	25	.	...	Do. pref.	25	..	..	..
73	36	4	9.52	Penmans	42	..	..	..
101	95	6	6.25	Do. pref.	95	96	96	96
.75	.50	.	...	Perfection Glass	.50	.50	.50	.50
29	18	2	8.51	Photo Eng.	23	28½	28	23
40	10	.	...	Port Alfred, pf.	10	..	..	..
70	64	7	10.00	Porto Rico P. p.	70	..	..	..
b39½	18	.	...	Postal Tele.	..	..	..	..
63½	39¼	2	4.23	Power Corp.	48	48½	47	48
102	96	6	6.15	Do. pref.	99	98	97½	97½
4½	3	.	...	Prairie C. Oil.	3	..	..	..
16	8½	50c	5.00	Pressed Metals	10	..	..	..
42¾	29½	2	6.66	Price Bros.	30	30	30	30
99	83¾	6.50	7.73	Do. pref.	84	..	..	..
49	31¾	2.50	6.94	Quebec Power	37	37	35⅞	36
110	105	7	6.66	Real Estate In.	105	..	..	..
3	1	.	...	Regent Knit.	1	..	..	..
10	5½	.	...	Reliance Grain	6½	7	7	7
16	9	2	16.32	River. S. Mills.	12¼	..	..	..
19½	11	1.50	9.91	Robinson Cone	15⅛	..	..	..
16½	10	1.20	12.00	Rogers Majestic	10½	10¾	10	10
291	235	12+2	5.63	Royal Bank	247	248¼	247¼	248
84	83	7	8.83	Ruddy, E. L., p.	84	..	..	..
77¾	69½	4	5.75	Russell Motor	69½	..	..	..
95	85	7	8.23	Do. pref.	85	..	..	..
7	7	.	...	Sarnia Br. (A).	7	..	..	..
x12	5	.	...	Do. (B)	..	..	..	..
36¾	9½	1.60	11.42	Serv. Stn. Eq.	14½	14½	13½	14
90½	54	6	9.09	Do. pref.	68	66	66	66
59½	34¾	2.50	5.81	Shawinigan	42½	43	42	42½
30	21	1.60	6.40	Sher.-Wms.	25	25	25	25
121	117	7	5.83	Do. pref.	120	..	..	..
22	14	2.50	13.88	Simon & Son	17	18	18	18
92	88¼	7	7.77	Do. pref.	90	..	..	..
92¼	73	6.50	8.12	Simpsons Ltd.	80	90¼	80	80¼
44½	40	2	5.00	Do. (A)	40	40	40	40
35½	24½	.	...	Do. (B)	29	..	..	..
108	103	6	5.60	Simpson, Robt.	106	107	107	107
4	1	.	...	St. Law. Corp.	1⅜	1	1	1
12	2½	.	...	Do. (A)	3⅝	3⅛	3⅛	3⅛
20	16	.	...	St. Law. Flour.	16½	16	16	16
85	82	7	...	Do. pref.	85	..	..	..
30⅛	10	.	...	St. Law. Pap. p.	11½	11	11	11
30	4	.	...	St. Maur. V., pf.	4	..	..	..
32	22¾	1	3.22	So. Can. Pr.	30	31	30	31
106¼	104½	6	5.71	Do. pref.	104½	105½	104½	104½
16⅛	7	2	...	St. Pav. & Mat.	8¾	9	7½	7½
80	66½	7	10.00	Do. pref.	70	..	..	..
1	1	.	...	Stanfords	1	..	..	..
15	7	1	...	Stand. Chem.	7	7	7	7
9⅞	3⅜	.	...	Stand. Steel	4½	5½	5½	5½
35	32	3	9.37	Do. pref.	32	..	..	..
42¼	24¾	1.75	5.83	Steel of Can.	29	30½	28⅞	30
37	29	1.75	5.55	Do. pref.	31	32	31	31½
4½	2⅛	.	...	Sterling Coal	2⅛	..	..	..
32½	12⅝	1	5.26	Super. Pet. Ord.	19	19	19	19
105	94	7	7.42	Do. pref.	96	94¼	94	94
31	14	1	5.88	Do. com.	17	..	..	..
49	41	.	...	Tamblyn	47	..	..	..
104½	101	7	6.73	Do. pref.	104	..	..	..
30	20	3.50	14.58	Thayers, pref.	28	24	24	24
13	6½	.	...	Tip Top Tailors.	8	..	..	..
90	77	7	8.75	Do. pref.	80	80	80	80
22	10	.	...	Tooke Bros.	10	..	..	..
67	50	7	14.00	Do. pref.	50	..	..	..
15	9½	.	...	Tor. Elevators	11	..	..	..
235	210	12	5.58	Tor. Gen. Trusts.	210	215	215	215
115	108	6	5.50	Toronto Mtge.	108	109	109	109
3	1¼	.	...	Traymore	1¼	..	..	..
12½	10½	1.40	12.72	Do. pref.	11	11	11	11
128	120	7	5.50	Tuckett Tob. pf.	128	127¼	127¼	127¼
17¼	7	.	...	Twin City	7	8¼	8	8
b62	35⅛	7	...	Do. pref.	..	..	..	..
16	9⅜	1	9.09	Union N. Gas	10½	..	..	..
101½	98	7+1	8.00	Union Trust	100	..	..	..
8	3	.	...	United Fuel	3	..	..	..
65	39	4	10.00	Do. pref.	43	40	39	40
55	49⅝	2	4.00	United Secs.	50	..	..	..
24¼	8¼	.	...	Viau Biscuit	15	16	15	16
85	75	7	8.56	Do. pref.	81¾	..	..	..
30	20	.	...	Wabasso Cot.	20	..	..	..
8⅝	4¼	50c	8.69	Walker-Good.	6	6⅛	5½	5¾
7¾	2	.	...	Waterloo Mfg.	3½	..	..	..
45	30	1	2.50	Weston	40	..	..	..
90	80	7	8.75	Do.	80	..	..	..
17½	7	.	...	West. Can. Flour	8	..	..	..
96	80	6.50	8.12	Do. pref.	80	..	..	..
17	10	.	...	West. Grocers	10	..	..	..
55	45	7	15.55	Do. pref.	45	45	45	45
91	85	6.50	7.14	W. St. Prod. pf.	91	..	..	..
x9	9	.	...	Whittall Can.	..	..	..	..
13	10	.	...	Windsor Hotel	12	..	..	..
73	71	6.50	9.15	Do. pref.	71	..	..	..
21½	10	.	...	Winnipeg Elec.	13⅞	13	12	12
81½	54	7	12.96	Do. pref.	54¾	54	54	54
‡30	30	.	...	Woods Mfg.	..	..	..	..
40	36	.	...	Do. pref.	36	..	..	..
80	80	7	8.75	Wood, Alex, J. p.	80	..	..	..
x2½	1½	.	...	Zimmerknit	..	..	..	..
7	7	.	...	Do. pref.	7	..	..	..

x Quotations for 1930. No sales recorded in 1931 to date.
a Stock dividend.
b New York quotations.
‡ Quotations for 1929.
c 2½c monthly plus stock dividend of .005% monthly.
† Plus stock bonus.

Unlisted Canadian Securities

(Furnished by A. J. Pattison Jr. & Co. Limited)

June 30, 1931

Industrial Stocks	Bid	Asked
Acadia Sugar c.	.30	.50
Acadia Sugar pfd.	1.70	2.35
Allens College pfd.	33.00	....
Allens London pfd.	33.00	....
Andian Nat. Corp.	22.00	25.00
Brand.-Hend. c.	10.00	19.00
Brand.-Hend. pfd.	80.00	88.00
Brewing Corp. of Can. c.	....	.90
Brewing Corp. of Can. pfd.	6.50	8.50
B.C. Pulp & Paper com.	1.90	....
B.C. Pulp & Paper 7% pfd.	....	50.00
Canada Biscuit pfd.	....	9.25
Can. Crush. Stone pfd.	....	74.00
Can. Dom. Sugar c.	15.25	17.25
Can. Mach. c.	5.25	8.00
Can. Mach. 7% pfd.	21.50	31.00
Can. Packers c.	15.00	19.00
Can. Pack. 7% pfd.	91.00	....
Can. Starch pfd.	70.50	....
Can. Wire & Cable pfd. w.w.	95.00	101.00
Can. Indust. c. "A"	116.00	130.00
Can. Indust. c. "B"	108.00	130.00
Can. Indust. 7% pf.	122.00	128.00
Can. Investors. c.	6.50	10.50
Can. Westinghouse.	54.50	62.00
Chase, A. W. 8% pf.	37.00	42.00
Copeland Flour 6% pfd.	....	16.00
Dom. Foundries & Steel pfd.	48.00	56.00
Dom. Foundries & Steel c.	5.00	8.00
Dom. Mfrs. pfd.	70.00	....
Dunlop Tire 7% pf.	94.00	100.00
Eastern Car 6% pf.	47.50	59.00
Eastern Dairies 7% pfd.	94.00	100.00
Edmonton Stock Yds. pfd. bonus	....	75.00
Goderich Elev. & Transit	13.50	16.75
Green. Wire 7% pf.	92.00	97.00
Guardian Realty pf.	51.00	....
Harding Carp. pfd.	....	68.00
Inter-City Bak. c.	45.00	55.00
Internat. Proprietaries "A"	....	32.00
Loew's London c.	....	1.75
Loew's London 7% pfd.	2.00	3.00
Maritime Tel. & Tel. c.	15.50	18.00
Maritime Tel. & Tel. pfd.	13.50	16.00
Morrow Screw Nut 7% pfd.	94.00	....
Mount Royal Hotel Scrip	1.35	2.25
Mount Royal Htl. c.	1.25	2.50
Mount Royal Htl. 6% pfd.	20.00	27.00
Nat. Grocers c.	.85	1.55
Nat. Grocers 2nd 7% pfd.	43.00	....
Paramount Oshawa com.	10.00	....
Para. Oshawa pfd.	33.00	....
Prov. Paper pfd.	....	80.00
Rolland Paper pfd. bonus	....	59.00
Standard Clay Prod. com.	26.00	....
Standard Fuel pfd. bonus	71.00	78.00
Supertest Petroleum "B" pfd.	17.00	20.00
Toronto Brick pf.	67.50	....
Toronto Carp. c.	112.50	....
Toronto Carp. 8% pfd.	97.00	104.00
Toronto Elev. 7% pfd.	....	90.00
Toronto Housing c.	25.00	33.00
United Amuse. "A"	21.00	30.00
Willards Chocolates 8% pfd.	....	50.00
Willards Choc. c.	....	4.50
Insurance Stocks:		
Br. Amer. Assce.	42.00	....

	Bid	Asked
Can. Life Assur.	640.00	700.00
Can. Fire Insur.	78.00	89.00
Capital Life 20% pd.	....	23.00
Commercial Life 10% pd.	....	24.00
Confederation Life 20% pd.	260.00	300.00
Continental Life 20% pd.	70.00	....
Crown Life	....	265.00
Dominion Fire	110.00	127.50
Dom. of Canada General Ins.	215.00	240.00
Dom. Life 50% pd.	295.00	345.00
Excelsior Life 30% pd.	100.00	125.00
Fed. Fire 25% pd.	31.00	....
Fidelity Ins. of Can.	....	100.00
Great West Life	485.00	525.00
Guar. Co. of N.A.	250.00	....
Halifax Fire	16.00	20.00
Imperial Life	400.00	445.00
Mfrs. Life	325.00	360.00
Monarch Life 10% pd.	30.00	35.00
Nat. Life 25% pd.	126.00	....
Sask. Life 10% pd.	10.00	19.00
Sovereign Life 25% pd.	28.50	34.00
Sun Life Assur.	1,200	1,400
Western Assur. c.	48.00	49.00
West. Life 20% pd.	9.50	....
Trust, Loan & Bank Stocks:		
Br. Mtg. & Trust.	172.00	....
Can. Gen. Inv. Trust 1st	....	32.00
2nd Can. Gen. Inv.	....	9.50
Chartered Trust	102.00	111.00
Commercial Fin. pfd.	47.00	57.00
Commercial Fin. c.	4.00	....
Deb. & Sec. c.	....	75.00
Deb. & Sec. pfd.	60.00	70.00
Guelph & Ont. Inv. par $50	60.00	66.00
Lambton Loan & Savings	75.00	....
London & Western Trust	....	175.00
Midland Loan & Savings	17.00	25.00
Mtge. Disc. pfd.	3.60	4.75
Mutual Fin. pfd.	....	6.75
Provincial Bank	120.00	....
Sec. Loan & Sav.	112.00	....
Sherbrooke Trust	112.50	....
Sterling Trust	85.75	....
Traders Fin. c.	....	15.00
Traders Fin. pfd.	....	80.00
Trusts & Guarantee	81.50	88.50
Waterloo Trust & Savings	128.00	....
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	103.50	106.00
Calgary Power pfd.	90.00	93.00
Can. Light & Pwr. com.	23.00	31.00
Can. Northern Pwr. pfd.	105.00	....
Can. West. Nat. Gas LH & P com.	50.00	....
Can. West. Nat. Gas LH&P pfd.	80.00	86.00
East Kootenay Pwr. pfd.	....	100.00
Great Lakes Pwr. pfd.	91.50	96.00
N.B. Pwr. 1st pfd.	60.00	....
N.S. L&P pfd.	92.00	96.50
Ottawa LH&P 6½% pfd.	101.00	105.00
Power Corp. 6% pf.	96.00	100.00
Recent London Quotations:		
Brewer Distillers		3s. 1½d.
Can. & For. Sec.		7s. 6d.
Can. West. Lumber		1s. 6d.
Hudson's Bay		26s. 3d.
Do., 5% pfd.		65s.
Internat. Holdings		2¾
Nfld. Pr. & Pap. deb. stk.		99
Trust & Loan of Can. (15s. pd.)		8s. 9d.

Dividends Declared

	Annual Rate	Div. Declared	Date	Record
Amer. Commonwealths Pr. 1st pref. Ser. "A"	$7	$1.75	Aug. 1	July 15
Do., 1st pref.	$6.50	$1.62	Aug. 1	July 15
Do., 1st pref.	$6	$1.50	Aug. 1	July 15
Do., 2nd pref. "A"	$7	$1.75	Aug. 1	July 15
Do., "A" & "B" com.	(c)	1/40 sh.	July 25	June 30
Beatty Bros. Class "A"	...	50c	Aug. 1	July 15
Beatty Bros. pref.	6%	1½%	Aug. 1	July 15
Brantford Cordage, pfd.	8%	2%	July 15	June 30
Belding-Corticelli, com.	7%	1¾%	Aug. 1	July 15
Bell Telephone	8%	2%	July 15	June 23
B.C. Power "A"	$2	50c	July 15	June 30
Brandram-Henderson com.	2%	½%	Aug. 1	July 7
Calgary Power, pref.	6%	1½%	Aug. 1	July 15
Can. Dredge	$3	75c	Aug. 1	July 10
Do., pref.	7%	1¾%	Aug. 1	July 10
Can. Fairbanks, pref.	6%	1½%	July 15	June 30
Can. Wineries	50c	12½c	July 15	June 30
Can. Bronze	$2.50	62½c	Aug. 1	July 20
Do., pref.	7%	1¾%	Aug. 1	July 20
Canada Bud Brew.	$1	25c	July 15	June 30
Canada Dry	$3	75c	July 15	June 30
Canada Forgings "A"	$1.50	37½c	July 15	July 1
Canadian Industries	$2.50	62½+*50c	July 31	June 30
Do., pref.	7%	1¾%	July 15	June 30
Can. Wire & Cable "A"	...	$1	Sept. 15	Aug. 31
Do.	...	$1	Dec. 15	Nov. 30
Canadian Car, ord.	$1.75	43c	Aug. 31	Aug. 15
Canadian Car, pref.	$1.75	44c	July 10	June 25
Can. Northern Power, com.	80c	20c	July 25	June 30
Can. Northern Pr., pref.	7%	1¾%	July 15	June 30
Consolidated Smelters	$2.50	$1.25+a	July 15	June 30
Can. Converters	4%	1%	Aug. 15	July 31
Cons. Industries	80c	20c	Aug. 1	July 15
Can. Pr. & Pap. Invest. pfd.	5%	1¼%	Aug. 15	July 30
Dominion Tar, pref.	6½%	1⅝%	Aug. 1	July 6
Dome Mines	$1	25c	July 20	June 30
Dominion Bridge	$3	75c	Aug. 15	July 31
Dominion Textile, pref.	7%	1¾%	July 15	June 30
Eastern Dairies	$1	25c	Aug. 1	June 30
Do., pref.	7%	1¾%	July 15	June 30
Eastern Theatres, pref.	7%	3½%	July 31	June 30
English Electric "A"	$3	75c	July 15	June 30
Ford Hotel, com.	...	50c	Aug. 1	......
Do.	...	50c	Oct. 31	......
For. Pr. Secs. pref.	6%	1½%	Aug. 15	July 31
Foundation Co.	$1	25c	Aug. 15	July 31
Granby Cons. Mining	...	25c	Aug. 1	......
Hamilton Bridge, pref.	6½%	1⅝%	Aug. 1	July 15
Hollinger Mines	65c	1%	July 15	June 30
Humberstone Shoe	$2	50c	Aug. 1	July 15
Howe Sound	$2	50c	July 15	June 30
Inter. Nickel, pref.	7%	1¾%	Aug. 1	July 2
Imperial Bank	12+1%	3%	Aug. 1	June 30
Inter. Hydro-Elec. "A"		b1/50 sh.	July 15	June 30
Do., pref.	$3.50	87½c	July 15	June 25
Inter. Utilities "A"	$3.50	87½c	July 15	June 25
Med. Hat Greenhouse pfd.	7%	1¾%	July 15	......
MacKinnon Steel pref.	7%	1¾%	Aug. 1	July 15
Marcus Loew's, pref.	7%	3½%	July 15	June 30
Montreal L. H. & Pr.	$1.50	38c	July 31	June 30
Monarch Mtge. & Inv. pfd.	8%	2%	July 15	June 30
Montreal Tramways	$10	$2.50	July 15	July 8
McColl-Frontenac pref.	$6	$1.50	July 15	June 30
Montreal Telegraph	8%	2%	July 15	June 30
Mitchell, Robt.	$1	25c	July 15	June 30
Northern Ont. Power pfd.	6%	1½%	July 25	June 30
Do., com.	$2	50c	July 25	June 30
Ontario Equitable	6%	3%	Aug. 1	July 15
Power Corp. cum. pfd.	6%	1½%	July 15	June 30
Do., non-cum. pfd.	6%	75c	July 15	June 30
Power Corp. com.	$2	50c	Aug. 20	July 31
Penmans	$4	$1	Aug. 15	Aug. 5
Do., pref.	6%	1½%	Aug. 1	July 21
Quebec Power	$2.50	62½c	July 15	June 25
Russell Motor	4%	⅝%	Aug. 1	July 15
Do., pref.	7%	1¾%	Aug. 1	July 15
Service Stations pref.	6%	1½%	Aug. 1	July 15
Do., Series "A" pref.	6%	1½%	Aug. 1	July 15
Southern Can. Pr. com.	$1	25c	Aug. 15	July 31
Southern Can. Power, pfd.	6%	1½%	July 15	June 30
Shawinigan W. & Pr.	$2.50	62½c	July 10	June 15
Steel of Canada	$1.75	43¾c	Aug. 1	July 7
Do., pref.	$1.75	43¾c	Aug. 1	July 7
Teck Hughes	60c	15c	Aug. 1	July 17
Toronto Elevators pfd.	7%	1¾%	July 15	July 1
Traymore, pref.	7%	1¾%	July 15	July 10
Tuckett Tobacco, pref.	7%	1¾%	July 15	June 30
Tooke Bros. pref.	7%	1¾%	July 15	June 30
United Securities	$2	50c	July 15	June 23
Western Grocers, pref.	7%	1¾%	July 15	June 30

a—Stock bonus. *Bonus.
b—Or cash div. of 50c per share. c—Payable in Class "A" com.

Active Current Bond Prices

Dominion of Canada 5½/33	104.50	105	3.37
Dominion of Canada 5½/34	104.50	105	3.95
Dominion of Canada 5/43	106.25	106.75	4.25
Dominion of Canada 4½/46	101.75	102.25	4.28
Dominion of Canada 4½/56	101.75	102.25	4.35
Dominion of Canada 4½/58	104.25	104.75	4.20
C. N. R. 5 /54 (D. of Canada)	105.50	106.50	45.5
C. N. R. 4¾/55 (D. of Canada)	102.75	103.75	4.50
C. N. R. 4½/56 (D. of Canada)	100.75	101.75	4.40
C. N. R. 5 /69 (D. of Canada)	106.50	107.50	4.45
Province of Ontario 4½/44	100.50	101.50	4.35
Province of Ontario 5 /48	105	106	4.45
Province of Ontario 4¾/70 (Hydro)	103	104	4.50
Province of Quebec 4½/56	101	102	4.35
Abitibi Power & Paper 5/53	57	60	9.75
Argentine Gov't. 6/58 Ser. B	89	91	6.75
Beauharnois Power 6/59	65	75	8.25
Bell Telephone Co. of Canada 1st, 5/57	106.50	107.50	4.55
Brazil, U. S. Ext. S. F. 6½/57	61	63	10.50
British Columbia Power 5/60	95.75	97	5.20
British Columbia Power 5½/60	101.50	103	5.30
British Columbia Telephone 5/60	99	100.50	4.95
Calgary Power 5/60	95	97	5.20
Canada Brewing 5/42	102	105	4.40
Canada Cement 1st Mtge. S. F. 5½/47	98	101	5.40
Canada Gypsum Lime & Alabastine 5½/48	83	90	6.50
Canada Northern Power 5/53	87	93	5.55
Canada Steamship Lines 1st & Gen. 6/41	55	60	11.50
C. P. R. Collateral Trust 5/54	103	104	4.60
C. P. R. Secured 4½/44 Notes	98	100	4.50
Chile Republic Ext. S. F. 6/60	58	60	9.75
Colombia Republic Ext. S. F. 6/61	70	72	8.90
Davies, Wm. 6/42	93	97	6.25
Dominion Canners 6/40	102.50	105.50	5.25
Dominion Square Corporation 6/48	78	82	7.80
Dominion Tar & Chemical 6/49	97	100	6.00
Dominion Textile 6/49	105	107	5.35
Duke Price Power 1st, 6/66	103	105	5.70
Eastern Dairies, Convertible 6/49	98	101	5.90
Eaton, T. Realty, 5/49	94.50	97	5.25
Famous Players 6/48	98	98	6.20
Federal Grain 6/49	70	80	8.10
Foreign Power Securities Corp. 6/49	85	90	6.68
Fraser Companies 6/50	25	35	15.00
Gatineau Power, 1st Mtge. 5/56	90	92.50	5.55
Gatineau Power, S. F. Debs., 6/41	80	85	8.55
General Steel Wares 6/52	60	65	10.00
Howard Smith Paper Mills 5½/53	60	65	8.50
Harris Abattoir 6/47	98	101	5.90
Manitoba Power, 1st, S. F. 5½/51	85	92	6.20
Maple Leaf Milling 5½/49	88	93	6.10
Massey-Harris, 1st Mtge. 5/47	60	65	7.50
MacLaren Quebec Power 5½/61	93	96	5.78
Montreal Coke, 1st S. F. 5½/47	102	103	5.20
Montreal Island Power 5½/57	99.50	102	5.35
Montreal Light, Heat & Power 5/51	104.50	106	4.35
Montreal Tramways 1st, Coll. Trust 6/41	101	102.25	4.75
Montreal Tramways Gen. Ref. 4½/55	85	90	5.20
Montreal Tramways 5/55	93.75	96	5.30
Moodie, J. R. 6/48	97	100	6.00
Ogilvie Flour Mills 6/32	100.50	102	4.60
Ontario Power Service 5½/50	75	80	7.50
Ottawa Valley Power 5½/70	99.50	101	5.45
Power Corporation of Canada 4½/59	83	88	5.30
Price Bros. 1st S. F. Ser. "A" 6/43	97	99	6.10
Quebec Power 1st, Mtge. Coll. S. F. 5/68	102.50	104	4.75
Shawinigan Water & Power 4½/70	97	98.50	4.60
Shawinigan Water & Power 5/70	104	105.50	4.72
Simpsons 6/49	94	100	6.00
Southern Canada Power 1st, 5/55	102	103	4.75
United Securities Coll. Trust 6½/52	99	101	5.50
West Kootenay Power 5/56	99.50	101	4.90
Windsor Hotel 6½/43	102.50	104.50	5.90
Windsor Hotel 6/47	96	100	6.00
Winnipeg Electric 5/35	99	101	4.75
Winnipeg Electric 6/54	89	94	6.50

Listed Bond Quotations

Week Ending July 6

Montreal	Int. Rate	Due	Yield	Latest Ask	High	Low	Range, 1931 High	Low
Abitibi, 1st Mtge.	5	1953	9.97	...	56	...	78	48
Asbestos	5	1942	5.00	105	...	...	100	...
Asbestos, 1st Mtge.	6	1941	...	16	...	...	20	13
Do., gen. mtge.	6	1956	...	14	...	...	x41	25
Can. Cons. Rub.	6	1946	...	...	...	...	x104¾	102¼
Can. Cottons	5	1940	6.82	...	...	...	91	...
Can. Forgings	6	1942	6.00	†100	...	...	100	...
Can. Locomotive	6	1951	...	60	...	...	x96	...
Can. Pr. (Laur. ser.)	5½	1958	...	9	9	8	28½	5
Do., (Way. ser.)	5½	1958	...	3¾	...	...	28½	5
Can. S.S. deb.	5	1943	...	...	...	...	x98¾	94
Cedars Rapids	5	1953	4.85	105	...	...	105	101
Dom. Canners	6	1940	...	†103¾	...	...	x103	...
Dom. Coal	5	1940	5.23	†98¾	98¾	...	98¾	98½
McNish	6	1948	...	2.25	2.00	...	5.25	3.00
Mex. L. & Pr.	5	1940	10.05	...	...	...	73¼	70½
Mont. L. H. & Pr.	4½	1932	...	†100⅝	...	...	x100	98¾
Mont. Tr. 1st mtge.	5	1941	4.80	...	101½	...	101¾	99¾
Mont. Tr. "A"	5	1955	5.45	†93¾	94	...	95½	91
Mont. Tr. G.&R. 'B'	5	1955	5.51	†93¾	...	...	96¾	91¾
Do., "C"	4½	1955	5.64	...	...	...	85	84
Do., "D"	5	1955	5.39	†93¾	...	...	95¼	91¾
N. S. Steel	5	1959	9.28	...	...	...	62¾	58
Ogilvie Flour "A"	6	1932	5.35	†100¼	...	...	100¾	100
Do., "B"	6	1932	...	†100¼	...	...	x108	101
Do., "C"	6	1932	5.82	†100¼	...	...	103	100
Ont. Steel	6	1943	...	106⅝	...	...	...	...
Porto R. Pr.	5	1936	6.79	...	...	...	93	93
Steel of Can.	6	1940	5.08	†106¾	...	...	107⅛	106⅝
Wayagamack	6	1951	...	...	...	...	75	45
West. K. Pr.	6	1940	5.15	...	...	...	106	...
Winn. Elec.	5	1935	5.12	†99¾	...	...	93½	93¾
Toronto								
Canada Bread	6	1941	5.86	102	...	...	101	...
Steel of Can.	6	1940	5.12	...	...	...	106¼	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1931	...	100.50	100.20	.....	101.70	100.20
Do.	5	1937	3.56	107.35	107.15	106.95	108.15	104.00
Victory Loan	5½	1933	3.55	104.60	104.65	104.40	105.25	103.00
Do.	5½	1934	4.05	104.65	104.60	104.45	105.30	103.90
Do.	5½	1937	3.45	111.35	111.35	110.95	112.40	107.05
Do., refund	4½	1940	4.24	102.00	....	....	102.30	99.35
Do., refund	5	1943	4.32	106.60	106.25	106.10	106.70	103.50
Do., refund	4½	1944	4.29	102.00	102.25	101.65	102.30	100.00
Do., refund	4½	1946	4.31	102.10	....	....	102.12	99.75
Do., renewal	5½	1932	3.79	102.70	102.40	102.25	103.35	101.60
Conversion Loan	4½	1956	4.36	102.00	102.00	....	102.65	101.55
Do.	4½	1957	4.39	102.70	....	....	102.45	102.40
Do.	4½	1958	4.35	104.30	104.20	....	104.60	104.20
Do.	4½	1959	4.43	104.30	104.30	104.15	104.75	104.20

†—Latest bid.
x—Quotations for 1930. None recorded in 1931 to date.

Winnipeg Grain Prices

Week to July 7

Crop Year from Aug. 14 High	Low		Open June 30	High for Week	Low for Week	Close July 7
		Wheat				
.77¼	.54	July	.62	.62½	.60	.60¾
.70⅜	.57⅞	Oct.	.64½	.64⅞	.62¼	.63¾
.67½	.61¾	Dec.	.65¾	.66⅛	.63⅛	.63½
		Oats				
.33½	.26⅜	July	.31⅜	.31⅜	.30	.30¼
.34⅛	.27⅜	Oct.	.33¼	.33½	.31⅞	.33
.33½	.30	Dec.	.33¼	.33⅜	.32	.32⅜
		Barley				
.35	.23¼	July	.34⅝	.34⅝	.31⅞	.33¼
.36⅝	.25½	Oct.	.36	.36½	.33⅜	.35⅜
.37⅝	.33⅛	Dec.	.36⅛	.37½	.34⅞	.35
		Flax				
1.23	.95½	July	1.14½	1.23	1.12	1.18¾
1.25	.95½	Oct.	1.15	1.26	1.13¼	1.20⅝
1.27	1.06¼	Dec.	1.16	1.27	1.14¾	1.21
		Rye				
.41¼	.25¼	July	.36⅞	.36⅞	.34¼	.34⅝
.40⅝	.31⅜	Oct.	.38⅞	.38⅞	.36⅝	.36⅞
.42	.38	Dec.	.40⅝	.40⅝	.38⅝	.38⅝

Winnipeg Stock Exchange

June 29

	Bid	Ask
Beaver Fire	125	..
Beaver Lumber c.	..	19
Do., pref.	90	100
Can. Amer. Tr. shs.	..	5.69
Can. Fire Ins.	..	85
Can. Indemnity	126	..
Crescent Creamery.	90	..
Gt. West Life	..	510

	Bid	Ask
Home Investment	50	..
Monarch Life	..	32
Nor. Can. Mtge. pf.	15	..
Nor. Can. Mtg. com.	½	..
Traders Bldg.	..	87
Un. Gr. Growers	11	11½
West. Breweries	..	2¼

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo

Week of July 7

High to date*	Low		Close June 30	High for week	Low for week	Close July 7
		Wheat				
.68⅞	.61¼	July	.66½	.64⅝	.63	.63
.70⅜	.63½	Oct.	.68⅝	.67⅞	.65¼	.65¾
.70½	.66	Dec.	.70½	.68⅞	.67⅞	.68

*Since trading opened March 3, 1931.

A. J. Pattison, Jr. & Co.
LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
159 Bay Street, (First Floor) Toronto Elgin: 5101 (TEN LINES)

S. A. Morrison & Co.
LIMITED
INVESTMENT
SECURITIES
BANKERS
Northern Ontario Bldg.
330 Bay St., Toronto 2

Capital: $1,000,000
Complete Trust Service
covering
Wills and Trusts
Mortgage Loans
Real Estate and Investment
Registrar and Transfer Agents
Safety Deposit Vaults
THE
EASTERN TRUST
COMPANY
Head Office — Halifax, N. S.
Saint John, N.B. St. John's, Nfld.
Charlottetown, P.E.I.
MONTREAL
212 St. James Street W.

Shawinigan Extends Activity on Upper St. Francis River

From Our Own Correspondent

MONTREAL—The new dam which Shawinigan Water and Power Co. plans to build on the Upper St. Francis river will increase the potential development of the St. Francis Water Power Co. from 4,350 horsepower to 14,000 horsepower.

The projected dam will have a length of 1,844 feet and a height of 60 feet, while it will necessitate construction of a 5,000 foot closed conduit. The dam will use the available head between the Allard dam and Lake Tylmer.

The St. Francis Water Power Co. owned the entire common stock of St. Francis Light and Power Co., a distributing company, prior to that company being absorbed by Shawinigan in 1929.

Newbold C. Jones Brian Heward
John D. Macpherson
Richard F. Angus Sydney C. L. Scobell
JONES HEWARD & Co.
Members:
Montreal Stock Exchange
Montreal Curb Market
PRIVATE WIRE CONNECTIONS
Montreal · Toronto · New York
249 St. James Street, Montreal
HArbour 6131★
Toronto Branch: 38 King St. West

4%
COMPOUNDED HALF-YEARLY
Money grows rapidly at compound interest. Savings deposited with Canada Permanent earn the high rate of 4%, the interest being compounded half yearly.
Founded 1855
CANADA PERMANENT
Mortgage Corporation
320 Bay St., Toronto
Assets exceed $72,000,000

B-A-B-N
Monetary Documents
will meet fully your needs for expert engraving and printing of
Bond and Stock Certificates, Cheques, Municipal Debentures, etc.
63 Years' Experience
BRITISH AMERICAN BANK NOTE COMPANY
LIMITED
HEAD OFFICE: OTTAWA
Toronto—1112 Bank of Hamilton Bldg.
Montreal—511 Place d'Armes.

Enamel Heating Adds Electric Ranges to Line

From Our Own Correspondent

MONTREAL.—Enamel and Heating Products has extended its operations to include the manufacture of electric ranges. Hitherto the company has confined its activity in this particular division to coal, wood, gas and oil ranges; existing channels for distribution are expected to provide a ready market for the new product.

Enamel and Heating Products operates three factories; two in the Maritime provinces and one in British Columbia. The B. C. plant was acquired in 1929, its output comprises stoves and furnaces of all descriptions.

Sales of Enamel and Heating during the current year are reported to have been relatively satisfactory to date. Recent contracts include a substantial order for enamelware for the Canadian National hotel in Vancouver while the company has supplied all the bathtub requirements in the latest C. P. R. and C. N. R. hotel construction in the Maritimes.

Earnings of the company last year fell short of dividend requirements by $12,723 and dividends on the 29,500 shares of class A stock, were suspended in May, 1931. A bond issue of $500,000 was recently authorized by shareholders. There are no other securities outstanding.

Shareholders Approve Beatty Stock Change

Shareholders of Beatty Bros. Ltd., have approved the plan for division of the common stock into 39,000 class "A" shares and 100,000 class "B" shares and supplementary letters patent have been issued authorizing the change. Immediately following the decision made by the shareholders, directors of the company declared a dividend of 50 cents a share on the class "A" stock, payable August 1 to shareholders of record July 15. No dividend will be paid at present on the class "B" shares.

The action taken by the shareholders completes a change in the common stock proposed by W. G. and M. J. Beatty in order that the common shareholders, other than these officials of the company, might continue to receive dividends at the rate of $2 per annum although the company could not pay this dividend on the entire amount of common stock outstanding. The Beatty's accept class "B" stock for their holdings. The new class "A" and class "B" common shares are equal in all respects except that the class "A" shares are preferred as to dividends.

Receipts of Quebec Power Lower in First Quarter

From Our Own Correspondent

MONTREAL.—A decrease of $22,890 in the gross receipts of Quebec Power Co. in the first three months of 1931 has been reported. During the first quarter of the current year gross receipts were $243,203, while for the same period last year they were $266,093.

The City of Quebec is seeking to obtain a reduction in rates charged by the power company. Though Quebec Power lowered its charges on July 1, the company has proposed that its dispute regarding rates with the City should be settled by arbitration. No definite decision has greeted this plan as yet.

One of the aldermen of the city council has suggested that Quebec Power Co. cut its tramway fares from 7 to 5 cents as a method of increasing business. The company operates 17 miles of street railway in the city and 59 miles of suburban electric railway.

Says Western Farmers Strive to Meet Debts

At the annual general meeting of the Trust and Loan Company of Canada held in London, Col. Sidney Peel, president, said that there was a decrease in net profits of £14,500, from £91,033 to £76,480. Including £21,208 brought forward, there was £97,688 for disposal. The directors had transferred £10,000 to contingencies account and had paid an interim dividend of 3 per cent actual, and they now proposed to pay a further dividend of 2 per cent actual, leaving £20,188 to be carried forward Canada, like other parts of the world, had had another lean year. It had suffered from the world depression, which had especially affected its principal source of income—the wheat crop; and that crop was itself unsatisfactory last year over a large part of Western Canada. The price of wheat had continued its catastrophic descent and was now considerably lower than before the War. Was it surprising in such circumstances that farmers should find it difficult to meet their obligations and pay the interest on their mortgages? He would like to pay a tribute to the efforts which had been made by all the company's borrowers to pay what was due, as a consequence of which their collections in cash had been greater than might have been expected.

It was clear from the balance-sheet that the company was in a strong financial position with about £600,000 of cash and investments, practically all of which were British and Canadian Government short-dated securities. With regard to the immediate policy of the board he might say that they were not at present making any attempt to put new money out on mortgage, or, one might call it, to expend any funds in new investments in Canada, except in so far as it was necessary to protect their existing properties. They were, on the contrary, doing what they could to strengthen the cash position of the company. This might tend to some diminution in profits, but he thought shareholders would agree with him that there was much to be said for a policy of safety first under existing conditions.

CONNECT NEW LINK ALL RED TELEPHONE

Bell Establishes Another Circuit Trans-Canada System

From Our Own Correspondent

MONTREAL—Further progress in construction of the proposed trans-Canada telephone system has been effected by the linking of Montreal and Winnipeg by direct voice contact over the circuit wires of the Bell Telephone Co. of Canada and the Manitoba Government Telephone System. This is the third loop in the all-Canadian chain of telephones which is expected to connect Halifax with Vancouver by the end of 1931.

The eastern link of the trans-Canada system was completed between Montreal and Halifax in January, 1929, by co-operation between the Bell Telephone Co. and the Maritime Telegraph and Telephone Co. The Manitoba Government Telephone System, the Municipal Telephone System of Fort William and the Bell Telephone Co. combined to provide the earliest link of all between Toronto and Winnipeg in July, 1928.

Await Pacific Development

Meanwhile the British Columbia Telephone Co. and the government telephone systems of Alberta and Saskatchewan have been establishing their provincial units in preparation for the direct circuit that will soon join Winnipeg and Vancouver.

Connection between Montreal and Winnipeg has been made directly over the new standard size copper wire of 165 thousandths of an inch in diameter. Experts in charge of final tests on the two lines from the Montreal end stated that the cut-in was a complete success from a transmission and reception point of view.

New Toronto-Winnipeg Line

Shortly before this inauguration, a new Toronto-Winnipeg line, the third to be put into commercial usage, was brought into operation. This circuit differs, however, from the other Toronto-Winnipeg lines in that it provides direct contact free from intermediate switching at any point en route. Prior to the opening of the additional circuit, calls passing over the route required to be switched at North Bay.

SUN LIFE EXPANDS IN GROUP ACTIVITY

New Appointments Made in Agency Organization

From Our Own Correspondent

MONTREAL. — Expansion in the group field by Sun Life Assurance Co. is indicated by the appointment of S. H. Smith, formerly Montreal district group manager, as regional group manager, having supervision of a territory comprising Eastern Ontario, Quebec, Maritime Provinces, and the New England States. Other changes in the company's group agency organizations include the promotion of four former district group managers to the newly created title of regional group manager, and eight former assistant group managers to the position of district group managers.

At the end of 1930 the Sun Life had $350,000,000 of group assurance in force, a total of 39 per cent of the total group assurance in force in Canada today. During 1930 the company wrote $31,000,000 or 53 per cent of the total group assurance written in the Dominion that year.

Select Security Groups for Canadian Investors

F. O'Hearn and Company have prepared a booklet outlining various groups of Canadian investments suitable for different types of investors. One group of ten shares each of ten medium priced Canadian issues can now be bought at $1,140 although their high prices in 1929 were $5,200. Eight speculative mining and oil issues are recommended at $533 against a former high price of about $3,000. Several other groups are selected.

It is pointed out that the prices in the booklet are somewhat under the present market due to the recent rapid advance.

Dunton Has Withdrawn from Brokerage Firm

From Our Own Correspondent

MONTREAL.—W. E. Dunton, vice-president of Thrift Stores, who has been appointed a director of Bruck Silk Mills is not now connected with the investment banking firm of Hodgson, Bros. & Dunton or the brokerage firm of Hodgson, Jarvis & Co., having retired from these connections some months ago.

Montreal Grain Handlings Exceed Last Year to Date

From Our Own Correspondent

MONTREAL.—Grain receipts and deliveries at the port of Montreal, though showing a slight falling off at the present time, recorded a higher cumulative total to July 1 as compared with last year.

Receipts up to July 1 this year were 41,519,274 bushels, against 24,768,003 bushels. Deliveries in 1931 to July 1 were 40,709,808 as against 26,129,929 bushels in the same period in 1930.

Toronto General Trust Appointment

Toronto General Trusts Corp. announces the transfer of E. W. Hards, secretary of the Vancouver office to the corporation's main office in Toronto. T. K. Grey, formerly Vancouver manager of the Standard Trust Co. has been appointed secretary at Vancouver in place of Mr. Hards.

Canadian Quotations—Cont'd

Foreign Exchange

	New York Funds High	New York Funds Low	Last Year High	Last Year Low
	(Premium)		(Premium)	
June 30	3-8	3-8	1-32	1-64
July 1	....	....	....	....
July 2	25-64	11-32	1-16	3-64
July 3	25-64	11-32	1-16	3-64
July 4	21-64	5-16	....	....
July 6	21-64	5-16	1-32	Par
July 7	5-16	19-64	1-128	Par

*Discount.

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
June 24	4.88	3.92 15-16	5.25 1-2
July 1	4.86 9-32	3.91 7-16	5.23 3-8
July 2	4.86 3-8	3.91 15-32	5.23 5-16
July 3	4.86 9-16	3.91 9-16	5.22 3-8
July 4	......	......	......
July 6	4.86 7-16	3.91 9-16	5.23 3-8
July 7	4.86 1-2	3.91 7-8	5.23 7-16

FOREIGN EXCHANGE

Par		June 23	June 30	July 7
5.26	Italian	5.25	5.24⅝	5.25¼
23.80	German	23.85½	23.82½	23.79
13.90	Belgian	13.96½	13.95½	13.99⅛
49.80	Japanese	49.50	49.55	49.50

Mining Stock Quotations

Week Ending July 6.

Par Val.	Range 1931 High	Range 1931 Low	Company	Close June 27 (or last)	High for Week	Low for Week	Close July 6
1	.23	.05½	Abana	.07½	.09	.06	.07
1	.03	.01	Aconda	.01½	....	....	....
1	.05¾	.03½	Adrien	.04½	....	....	....
None	.50	.12	Aldermac	.25	.25	.25	.25
1	.05	.00¾	Algonquin	.00½	.00¾	.00¾	.00¾
1	.02½	.01	Amity C.	.01	.01	.01	.01
None	.45	.12	Amulet	.24	.23	.21	.21
1	.02½	.01	Apex	.02	.01½	.01	.01½
1	.05	.01	Area	.02	.02	.01½	.02
1	.01	.00½	Argo. Cons.	.00½	....	....	....
1	.08½	.01	Arno	.03½	.03¼	.03	.03
1	.01¼	.01¼	Astoria	.01¼	....	....	....
1	.02	.00½	Atlas	.00½	....	....	....
.	.07	.05½	Bagamac	.06½	....	....	....
1	.02¼	.01	Baldwin	.01½	.01½	.01½	.01½
1	.19½	.08	Barry Holl.	.10	.11	.09	.10
None	1.45	.75	Base Metals	1.15	1.20	1.10	1.10
None	.04	.00½	Bathurst	.01½	.01½	.01½	.01½
5	1.75	.60	B'Wana	.75	....	....	....
1	.28	.26	Ben Nevis	.27	....	....	....
None	.09½	.03½	Bidgood	.04½	.05	.04½	.04½
1	.50	.18	Big Missouri	.35	.34	.28	.31
1	.05½	.04¼	Blue Quartz	.04½	....	....	....
1	.12	.02	Bobjo	.03	.03½	.03	.03
None	.01	.00½	Boischatel	.00½	....	....	....
1	.08	.02	Brett Trethewey	.02	....	....	....
1	.03	.03	Brit. Canadian	.03	....	....	....
None	.12	.02½	Brownlee	.04½	.05	.03½	.04½
1	.02	.00½	Buckingham	.00½	....	....	....
1	.08½	.02	Bunker Hill	.03	.03	.02½	.02½
None	.03	.01	Cal. Flin Flon	.01	....	....	....
1	.02	.01	Cambro Kirk.	.01½	.01	.01	.01
None	.05¼	.02½	Canam Metals	.02½	....	....	....
1	.06½	.01½	Can. Kirk.	.02	.02½	.02	.02½
1	.02	.02	Can. Lorraine	.02	....	....	....
1	.32½	.12	Canusa	.25½	.18	.18	.18
1	.04¼	.00½	Capital R.	.00½	....	....	....
1	.26½	.15	Castle Tre.	.16	.17	.17	.17
1	.23	.03	Cen. Manitoba	.11	.11	.10	.10
1	.17	.10	Can. Patricia	.10½	....	....	....
1	.02	.01½	Champion R.	.02	....	....	....
None	.59	.02	Chib. Pros.	.12	.15	.11	.11
None	.08	.02½	Clericy	.03	.03	.02½	.02½
5	10.50	2.50	Coast Copper	5.50	5.00	4.25	4.25
1	.05½	.01½	Cobalt Con.	.02½	.02½	.02	.02
1	.02	.00½	Col. Kirk.	.01½	....	....	....
1	.39	.05	Columario	.11	.11½	.10½	.11
5	.80	.50	Coniagas	.70	....	....	....
5	.62	.30	Coniaurum	.30	.31	.31	.31
25	188.25	71.25	Cons. Smelters	115.50	114.50	105.00	111.00
1	.01	.00½	Corona	.01	....	....	....
1	.02½	.00¼	Crown Res.	.01¼	.01¼	.01¼	.01¼
.	.29½	.26½	Crudome	.28½	....	....	....
None	.17	.03	Dom. Explor.	.08	.09¾	.06	.09¾
1	.03	.00½	Dom. Kirk.	.00¾	.00¾	.00¾	.00¾
None	13.40	9.00	Dome Mines	11.80	12.00	11.30	11.50
None	.33	.30	Don. Woolsey	.30	....	....	....
1	.01	.00¼	Don Rouyn	.01	....	....	....
1	.01	.00½	Dunkin	.00½	....	....	....
1	.02	.00½	Duprat	.01½	....	....	....
1	1.28	.20	Eldorado	.80	1.00	.70	.99½
None	1.70	.75	Falconbridge	1.30	1.35	1.20	1.20
1	.08½	.02	Federal	.04	.04½	.04	.04
None	.01½	.00½	Flintoba	.00½	....	....	....
None	.30	.07	Gem Lake	.08	.08	.07	.08
None	.04½	.03	Gilbec	.04½	.04½	.04½	.04½
1	.08	.02½	Goldale	.04	.05	.05	.05
10	.25	.15	Goldfield	.18½	....	....	....
1	.01½	.00½	Gold Hill	.00⅛	.00⅛	.00⅛	.00⅛
1	.11	.02¼	Goodfish	.05	.05	.05	.05
1	.04	.00¾	Graham	.01¼	....	....	....
None	2.30	1.25	Granada	1.40	1.38	1.30	1.30
1	.10½	.06	Grozelle	.10¼	.10½	.10¼	.10½
.	.30	.28	Halliwell	.28	....	....	....
1	.03	.01	Harker	.02	.01½	.01½	.01½
.	.08½	.07½	Hayden	.08	....	....	....
1	.04½	.00½	Hilltop	.02	.02	.01½	.02
5	8.70	6.00	Hollinger	6.90	7.00	6.55	6.55
1	.38	.20	Howey Gold	.28	.30	.28	.28
None	6.30	3.25	Hudson Bay	5.10	5.10	4.70	4.75
None	.40	.30	Huronian	.36	.36	.36	.36
None	20.50	9.50	Int. Nickel	16.25	16.37	15.12	16.00
1	.03	.00¼	Jackson M.	.00¼	....	....	....
1	.34	.23	Keeley	.25	.24	.24	.24
1	.04¼	.00½	Keora M.	.01½	.01¼	.01¼	.01¼
1	.27½	.27½	Kirk. Hud. Bay	.27½	....	....	....
1	.03	.01	Kirk. Hunt.	.01¼	.01½	.01	.01
1	.93	.54	Kirk. Lake	.66	.67	.63	.63
1	.08	.01	Kirk. Prem.	.03½	.04	.03	.03
1	.13½	.05½	Kirk. Town.	.10	.10	.09½	.10
20c.	.02¼	.00¼	Koot. Flor.	.00⅞	.01	.00⅞	.00⅞
1	.02	.00⅞	La Rose	.01½	....	....	....
.	.69	.38	Lakeland	.47	.47½	.44	.47¼
1	28.50	23.50	Lake Shore	26.05	27.75	26.00	26.25
1	.02	.01	Laval	.01	....	....	....
1	.02	.01½	Lebel Oro	.02	....	....	....
None	.35	.35	Locarno	.35	....	....	....
1	.55	.10	Macassa	.35	.35	.31	.32
1	.12	.02	Malartic	.04	....	....	....
None	.15	.06	Mandy	.09	....	....	....
None	.06	.02	Man. Basin	.04	.05	.03½	.04
1	.55	.30	McKinley	.50	....	....	....
56	26.50	20.00	McIntyre	21.80	22.80	21.60	22.00
None	.33	.08	McLeod River	.12¼	.14	.11½	.12½
1	.04	.04	McVittie	.04	....	....	....
1	.29	.07	MacMillan	.07	....	....	....
1	.01½	.00¼	Millcrest	.01	....	....	....
5	2.84	1.46	Mining Corp.	1.99	2.15	1.80	2.00
1	.10½	.01	Moffatt Hall	.07½	.08¼	.07	.08¼
1	.04	.02	Moneta	.03½	....	....	....
1	.00½	.00½	Mtl. Rouyn	.00½	....	....	....
1	.63	.20	Moss	.34½	.36	.34	.34¾
1	.09	.01	Murphy	.03	.03	.02¾	.02¾
1	.07¾	.02	Newbec	.04	.04	.03¾	.04
1	.40	.25	Nevada	.25	....	....	....
1	.09	.02	Night Hawk	.04	.03¼	.03¼	.03¼
5	1.90	.80	Nipissing	1.00	1.32	1.10	1.29
None	29.65	14.00	Noranda	21.25	21.40	19.15	19.75
1	.50	.25	Nor. Canada	.30	.32	.30	.30
None	.03	.00½	Old Colony	.00⅞	....	....	....
1	.01	.00½	Ophir	.00¼	....	....	....
1	.10¼	.04	Oriole	.04	....	....	....
1	.21	.07	Osisko	.08	.12	.10	.10
1	.25	.23	Parkhill	.23	....	....	....
1	.15	.14	Patricia Dent.	.14½	....	....	....
1	.04	.01½	Pawnee Kirk.	.03	....	....	....
None	1.61	.60	Pend. Ore.	.90	.80	.80	.80
1	.04½	.01	Pete. Cobalt	.02	.02½	.02	.02
.	.50	.50	Phy. Molybd.	.50	....	....	....
1	.01¼	.00¼	Picard	.00½	....	....	....
1	.12	.07	Pioneer	.09	....	....	....
1	.02¼	.00½	Porc. Crown	.00½	....	....	....
1	.02	.00½	Potter Doal	.00¾	.00¾	.00¾	.00¾
1	.45	.36	Powell Ryn.	.36	....	....	....
1	.99	.65	Prem. Gold	.68	.71	.70	.70
1	.02½	.00¾	Preston E. Dome	.01	....	....	....
1	.25	.13	Quemont	.13	....	....	....
1	.03	.00½	Ribago	.01½	.03	.01½	.03
1	.34	.24	Rich. Rock	.33	....	....	....
1	.15	.02¾	Ritchie	.03	.03¼	.02¾	.03
1	.04	.00¾	R. Montbray	.01¼	....	....	....
1	.05	.04	Rubec	.04	....	....	....
None	.25	.10	San Antonio	.16½	.17½	.15	.16
1	.21	.16	Seven Troughs	.16	....	....	....
1	1.25	.49	Sherritt G.	.75	.75	.70	.70
1	.55	.36	Siscoe	.49	.49½	.46	.46
1	.18	.02	So. Keora	.05	.07	.04½	.06
None	.05	.01½	Stadacona	.02	.02	.01¼	.02
1	.30	.03½	St. Anthony	.07½	.12⅛	.08	.12
None	.82	.38	Sud. Basin	.51	.55	.45	.45
1	.03	.01	Sud. Contact	.02	....	....	....
1	.03¼	.00½	Sudbury M.	.01	.01	.00⅞	.00⅞
None	.04¾	.01	Sudbury N.	.02	.03	.02	.03
1	.18	.09	Sullivan	.10	.09	.09	.09
1	1.14	.48	Sylvanite	.72	.74	.70	.70
1	.20½	.04	Tashota	.15	.12	.09½	.10½
1	8.65	6.15	Teck Hughes	6.60	6.85	6.60	6.65
1	.10½	.01½	Telluride	.01½	....	....	....
1	.01½	.01½	Temiskaming	.01½	....	....	....
1	.06½	.02½	Thom. Cad'c.	.03	....	....	....
1	.02½	.00½	Tough Oakes	.01	....	....	....
1	.63	.17	Towagmac	.40	.43	.30	.30
None	2.65	1.00	Treadwell	1.55	1.25	1.25	1.25
None	2.85	2.40	Tri-Metals	2.85	....	....	....
.	.15	.04	United Kirk.	.10	.05	.04½	.05
.	.03	.01	Vacuum Gas	.02	.01½	.01½	.01½
None	.86	.35½	Ventures	.54	.55	.50	.51
1	.15	.01½	Vickers	.07	....	....	....
1	1.22	.70	Vipond	.82	.80	.75	.79
None	2.00	.90	Waite Ack.	1.35	1.40	1.35	1.35
1	.02¼	.01	West Tree	.01	....	....	....
1	.27	.05	White Lake	.13	.13	.09	.09
1	.06	.02	Wiltsey	.04½	.04	.04	.04
None	.01½	.00½	Windfall R.	.01	....	....	....
.	.13	.06	Wood Kirk.	.07	....	....	....
None	3.18	1.85	Wright-Har.	2.80	2.87	2.74	2.75

WESTERN OIL STOCKS

Par Val.	Range 1931 High	Range 1931 Low	Company	Close June 27 (or last)	High for Week	Low for Week	Close July 6
1	.30	.16	Acme	.20½	.20½	.19½	.20
None	.50	.50	Advance	.50	....	....	....
1	.37½	.10	Alta. Pac.	.14	.12	.12	.12
1	.08	.07	Amalgamated	.08	....	....	....
None	.25	.05	Associated	.05	....	....	....
1	1.89	1.10	Ajax	1.38	1.40	1.29	1.35
None	.12	.03	Baltac	.05	.03½	.03	.03½
1	.07	.05	Black Dia.	.05	....	....	....
1	.33½	.12	Brit. Dom.	.12	....	....	....
1	.32	.06	Calmont	.08	.08	.08	.08
None	.82	.30	Calgary & Ed.	.38	.40	.32	.37
1	.47	.12	Comm. Pete.	.18	.18	.15	.18
None	.60	.19	Dalhousie	.23	.25	.25	.25
None	.08	.02	Devenish	.03½	....	....	....
None	.12	.04	Dome Oil	.05	.05	.04½	.04½
None	.69	.15	E. Crest	.20	.25	.20	.20
1	.05	.01½	Fabyan Pete.	.01¼	....	....	....
None	.60	.20	Foothills	.20	.25	.25	.25
None	.18½	.04	Freehold	.04½	.04½	.04½	.04½
1	.02	.01	Great West	.02	....	....	....
None	.17	.05	Hargal	.08	.08	.07½	.08
None	.10	.03½	Herron Pete.	.03½	....	....	....
None	.07½	.05	High Sarcee	.05	....	....	....
None	2.00	.48	Home	.60	.60	.50	.56
None	.22	.06	Homestead	....	....	....	....
1	1.70	.70	Homest'd O.&G.	.95	.90	.80	.80
1	.08¾	.01	Ill. Alta.	.01	.01½	.01	.01
None	.70	.10½	Lowery	.20	....	....	..01
1	.05	.01	Madison	.01	.01	.01	.27
1	.85	.27	Mayland	.27	.27	.27	¼
None	.11	.03	McD. S. Ex.	.03½	.03½	.03½	.08..
1	.29	.03	McD. S. N.	.03	....	....	..30
1	.72½	.25	McLeod	.30	.30	.29	.12
None	.39	.12	Mercury	.12	.12½	.12	¼
None	.20	.07	Merland	.08½	.08½	.07	.08..
1	.18	.08	Mid West	.10	....	....	....
None	.38	.10½	Mill City Pete.	.11	....	....	....
1	.49	.15	Model	.19½	.19	.15	.15
1	.18	.03	Monalta	.03	....	....	....
1	.31	.07	Moose M.	.07	....	....	....
1	.04	.02	New Federal	.02	....	....	....
None	.58	.17	Nordon	.19	.19	.17	.17
None	.11	.02½	Oil Select	.06½	.06½	.05½	.06½
None	.28	.04½	Okalta	.08½	.08½	.07	.07
100	27.00	15.00	Do., Pref.	25.00	15.00	15.00	15.00
None	.22	.05	Olga Gas & Oil	.13	.14	.13	.14
1	.37½	.20	Petrol	.24	.28	.23	.25
None	.28	.02	Penn. Pete.	.02	.02½	.02	.02
None	.25	.09	Ranchmen's	.11	....	....	....
1	.05	.01½	Regent	.01½	.01½	.01½	.01½
None	.13	.02½	Richfield	.02½	.02½	.02½	.02½
None	17.75	6.25	Royalite	7.70	8.00	7.75	8.00
1	.82	.30	Sarnia Oil	.52	.50	.40	.49
1	.06½	.02½	Signal Hill	.03	.03	.02½	.02½
None	.27	.10	So. West Pete.	.10	.10	.10	.10
1	.60	.20	Spooner	.20	....	....	....
None	.19	.09	Sterling Pac.	.10½	....	....	....
.	.15	.15	Turner Basin	.15	....	....	....
1	.16	.12	Turner Valley	.12	....	....	....
None	.31	.09	United	.14	.13	.12½	.12½
1	.15½	.08	Vulcan	.09	....	....	....
None	.05	.00½	Wainwell	.01	.01½	.01	.01½
1	.28	.08	Waite Valley	.12	....	....	....

VANCOUVER STOCK EXCHANGE
(Transaction for Week to June 30)

Par Val.	Range 1931 High	Range 1931 Low	Company	Close June 27 (or last)	High for Week	Low for Week	Close July 6
25c.	.01	.00¼	Bayview	.01	.00¼	.00¼	.00¼
25c.	.07	.01	Beaver Silver	.05	.06¼	.05	.06
25c.	.02½	.00¼	Bluebird	.02	.02	.02	.02
25c.	.70	.50	B. C. Silver	.50	....	....	....
25c.	.02	.00¼	Cork Province	.01	.01	.01	.01
1	.20	.12	Cotton Belt	.15	.15	.15	.15
1	.04	.02	Dunwell	.02	....	....	....
1	.10	.05	Duthie	.05	....	....	....
1	.90	.40	George Copper	.40	....	....	....
50c.	.05	.02	Geo. Enterprise	.02	....	....	....
1	.05	.01¼	Georgia River	.02¼	.03	.02¼	.03
50c.	.02½	.02½	Glacier	.02½	....	....	....
10c.	.01	.01	Gladstone	.01	....	....	....
1	.45	.18	Golconda	.24	.30	.20	.20
50c.	.07½	.03	Grandview	.05	.06	.05	.05½
None	27.50	17.00	Howe Sound	17.00	....	....	....
1	.17½	.11	Inter. Coal	.12	....	....	....
1	.01½	.01	Independence	.01	....	....	....
1	.01½	.01	Indian Mines	.01	.01½	.01½	.01½
1	.43	.24	Jack Waite	.24	.32	.32	.32
25c.	.02	.00½	Kootenay King	.00½	.01	.00¾	.01
25c.	.00½	.00¼	Lakeview	.00¼	....	....	....
25c.	.02	.00¼	L. & L.	.01	.02	.02	.02
1	.12½	.08	Lorne Gold	.09½	.09½	.08½	.08½
1	.12	.12	Los Ang. Van.	.12	....	....	....
10c.	.03½	.01½	Lucky Jim	.02	....	....	....
2.50	.01	.00¾	Marmot Gold	.01	....	....	....
50c.	.01	.00½	Marmot Metals	.00½	....	....	....
25c.	.00¾	.00¼	Mohawk	.00¼	....	....	....
1	.25	.14	Montana Mines	.17	....	....	....
1	.05	.02	Morton Woosley	.02½	.02	.02	.02
50c.	.03½	.01	National Silver	.01	....	....	....
50c.	.09¾	.04	Noble Five	.05	.05½	.05	.05
50c.	.12½	.04	Oregon Cop.	.05	.06½	.05	.05
1	2.60	1.23	Pioneer Gold	2.50	2.60	2.30	2.33
50c.	.09	.04	Porter Idaho	.04½	.05½	.05	.05½
None	.02	.00⅛	Premier Border	.00⅛	.00¼	.00⅛	.00⅛
None	.55	.20	Reeves McD.	.25	.37	.25	.37
1	.25	.11	Reno Gold	.22	.23½	.22	.23
1	.04	.02	Rufus Argenta	.02	....	....	....
1	.07	.04	Ruth Hope	.04	....	....	....
1	.05½	.04	Silverado	.05½	....	....	....
25c.	.03	.01½	Silver Crest	.03	....	....	....
50c.	.05	.01¼	Snowflake	.02	.02½	.02	.02½
1	.45	.30	Sunloch	.30	....	....	....
50c.	.01¾	.01	Topley Rich.	.01	.01	.01	.01
5	.20	.20	Toric	.20	....	....	....
20c.	.01	.00½	Wellington	.00½	.01	.00½	.01
1	.05	.02	Whitewater	.04	.02	.02	.02
None	.03¼	.00¼	Woodbine	.00¼	....	....	....

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Cons. Smelters	$2.50+a	2.25	Premier	12c.	17.14
Dome Mines	$1	8.69	Pioneer	6c.	....
Granby	$1	....	Royalite	50c.	....
Hollinger	65c.+5	10.68	Spooner Oils	6c.	....
Howe Sound	$2	....	Sylvanite	4c.	....
Inter. Nickel	60c.	3.75	Teck Hughes	60c.	9.09
Lake Shore	$1.20+30	5.71	United Oils	5c.	....
McIntyre	$1	4.54	Wellington Oil	5c.	....
Mercury Oil	5c.	....	Wright-Har.	10+2½c.	4.54
Model Oils	12c.	....			

a. Stock bonus 1 share for each 20 shares held.

Turner Valley Drilling Report

Wells Drilled by Imperial Oil

PROGRESS REPORT—Week Ending July 4, 1931

Name of Well	No.	Type	Depth last report feet	Present depth feet	Feet drilled	Remarks
Royalite	4	S.	....	....	...	Drilling on iron at 1,201 ft. with 8 in. tools.
Lowery	2	R.	6514	6514	...	Bailed to 5,600 ft. no production, preparing to abandon.
S. W. Pete.	2	R.	5407	5407	...	Shut down waiting for casing roller.
S. Lowery	2	R.	4111	4322	211	Drilling in Blairmore.
Ster. Pacific	2	R.	1045	1473	428	Drilling in Benton.
Lethbridge	1	S.	2886	3250	364	Drilling in sand, small showing of gas 3,245 ft.

NOTE: R—Rotary; S—Standard.

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Industrial Marriages

AN AMERICAN manufacturer of power shovels, as a result of Canada's higher tariff, sought an alliance with a Canadian engineering company. The husky-looking machine pictured herewith is their first child. It was born in the plant of the Dominion Hoist and Shovel Company — a subsidiary of the Dominion Engineering Works of Lachine, Quebec, and was described in a recent issue of Canada's leading industrial paper — Canadian Machinery.

Canadian metal-working firms are alive to the opportunities arising out of a more favorable tariff. Quite a number have already formed connections with foreign manufacturers, and the procession is just lining up.

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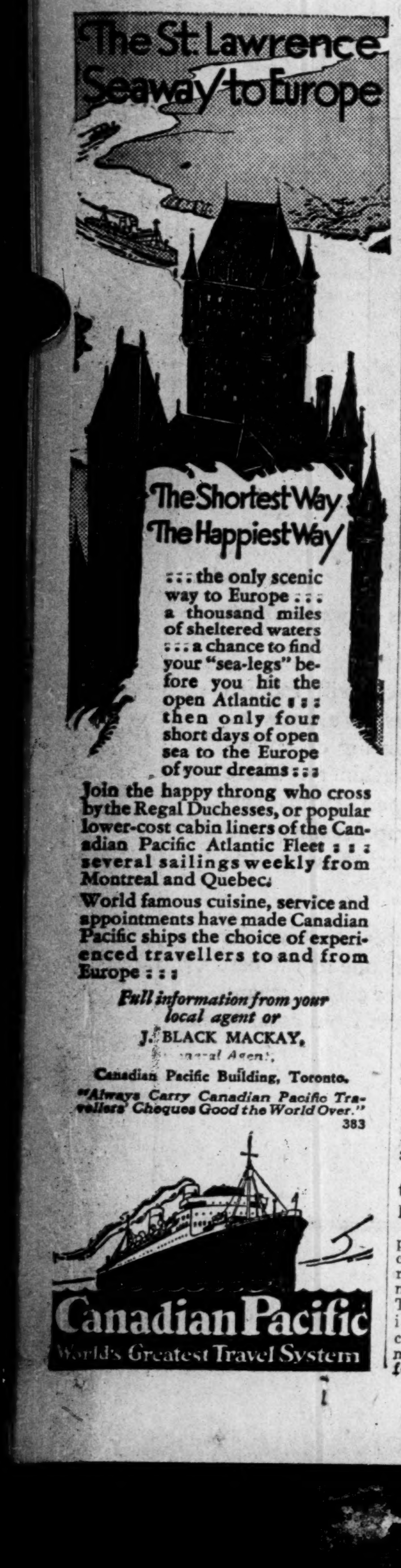

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Current Events in the Banking World

GUTHRIE ADMITS N.S.F. LEGISLATION TO BE DEFECTIVE

New Measure to Curb Evil Promised Shortly by Government

Admission by Hon. Hugh Guthrie, Minister of Justice, that the federal law against N. S. F. cheque was defective, featured discussion of this question in the House of Commons last week. A. W. Neill, sponsor of a bill to make the passing of N. S. F. cheques a criminal offence finally decided to drop his measure, after the Minister of Justice promised the matter would be carefully considered by the department and a more effective act covering this matter, drafted and presented, if possible, at the present session of parliament.

The bill sponsored by Mr. Neill (The Financial Post, June 18, 1931) proposed that if cheques issued with insufficient funds in the bank were not honored in a reasonable time, the issuer would be liable for the first offence to a fine not exceeding $100 or three months' imprisonment and to $200 or six months' imprisonment for a subsequent offence. Discussion in Commons, however pointed to the fact that if such legislation were adopted it would actually open the way to N. S. F. cheque passing, in that it would give would-be defrauders loopholes not now enjoyed.

Would Open Door

"The view I take," said Hon. Hugh Guthrie, "is that the proposed amendment would open the door to the issuers of worthless cheques—would invite them to continue the practice rather than discourage them. It actually lays down that if a man issues a cheque when he has no bank account, or thinking he has a sufficient balance at the bank, or thinking that the bank will honor the cheque, he is not guilty of an offence. Under the law today if a man issues a cheque honestly thinking that he has a sufficient balance in the bank to meet it, or thinking that his credit is good enough at the bank to ensure that the cheque will be paid, it cannot be said that he does so fraudulently. But if he issues a cheque upon a bank where he has no account and no banking credit, he would be guilty of fraud.

"The bill merely points out a comparatively safe way to the issuer of these cheques to go ahead. As long as the issuer can establish that he thought he had some small balance in the bank, or that he thought he had credit at the bank, he will not be liable in respect of his worthless cheque if he makes the default good within a reasonable time.

Invite Recklessness

"At present if a man issues a cheque upon a bank in which he has no account he may be found guilty of obtaining money under false pretences. Under this bill he will not; he will have a reasonable time within which to cover the amount of the cheque. In this bill there is an invitation to a reckless man to issue cheques in the hope that he will be able to adjust the matter satisfactorily at a later date. The law as it stands today is more stringent. I believe, however, the law in respect of worthless cheques is defective and some remedy should be applied, but I do not think the remedy lies in my hon. friend's bill. If he is willing to drop his proposal, I will undertake to have the matter carefully considered in the department in the hope that later a clause may be drafted which will cover the matter."

"With that assurance I withdraw my bill," said Mr. Neill.

Bank Window Dressing Explained in Review

Queen's Professor Explains Ways in Which Chartered Banks Improve Position at End of Each Month

How much "window-dressing" do Canadian banks do on the last day of each month when returns of chartered banks are sent to, and subsequently published by, the federal government?

This is a question that many have sought an answer to from time to time, the opinion being often expressed that Canadian bank statements, although lengthy and containing considerable detail, are sufficiently flexible to enable banks to make readily any desirable changes in assets or liabilities on the 12 days in the year when their financial position is presented for publication through the Canada Gazette.

Assuming that such window-dressing of monthly statements is practiced from time to time by Canadian chartered banks, the interesting thing then, is just how this is done. The following illuminating commentary on bank "window dressing" appears in a review of Canadian banking statistics published recently by C. A. Curtis, of Queen's University, as Vol. 1, "Statistics of Canadian Economic History":

Returns Do Not Balance

"Before discussing individual series, certain general characteristics of the Canadian bank returns should be indicated. In the first place, the returns represent the condition of the banks, as certified by designated and responsible officers, at the close of business on the last juridical day of the month. From this it follows that the return is a balance sheet, but the assets and liabilities do not balance, apparently because there is no undivided profits account in the return.

"Because the date of the return is always known in advance, 'window-dressing' is possible, although this was probably not an important factor in the earlier period. Certain classes of loans may be paid off just before the end of the month, which would mean for the bank an increase in cash or a reduction in liabilities to the public. Either change would increase the soundness of the bank's position. However, for the banking system as a whole, such a practice must be limited in scope.

Rediscounting Notes

"Another type of 'window-dressing,' that of obtaining resources from without the banking system, is more important. Since 1914, the banks have been able to obtain Dominion notes by rediscounting under the provisions of the Finance Act, and so it is quite an easy matter to borrow cash reserves in this way at the end of the month. A similar result can be obtained by turning call loans and balances outside Canada into cash. Before 1914 this latter practice was followed more extensively, but now it appears that the Finance Act provides an easier method. From the viewpoint of the general position and safety of any bank, this practice mitigates the value of the returns, but from the viewpoint of the general economic position of the country, it is doubtful if the effect is very great.

"As long as the amount of 'window-dressing' is constant it probably matters little, and, after all, many of the main asset and liability items cannot be altered greatly, if at all. The greatest amount of manipulation probably comes in the cash items which from the viewpoint of economic history may be the least significant in the banks' statements. In judging the position of any given bank, however, the cash items are of great importance. Thus, the extent to which 'window-dressing' destroys the validity of the bank returns depends upon their use. To the economic historian it is probably but a small matter; to the banker or person interested in a given bank, it may be a matter of greater importance. But even in this connection the monthly averages of gold, and Dominion notes, given in the return, provide something of a check."

"Penny" Gold Pieces To Disappear in U.S.A.

"Quarter-eagles" or $2.50 gold pieces, will no longer be coined in the United States, according to congressional legislation just passed. Little publicity has been given to this legal termination of the $2.50 gold piece, but it will be a blessing in disguise, according to American Banker, to at least two interested parties in the field of finance, namely the banker—who finds himself rid of a nuisance; and the dealer in obsolete or rare coins who stands to benefit from the increasing premium on quarter-eagles.

The last coinage of quarter-eagles preceding the passing of the law, was in October, 1929, amounting to 202,000 pieces having a face value of $505,000. These were coined at the Philadelphia mint. Quarter-eagles of all years which are not hoarded by numismatists and dealers are, as soon as received at the mint service refineries, melted into bars or are recoined as double eagles, eagles or half eagles. In the fiscal year ended June 30, 1930, more than 2,000 pieces were withdrawn from monetary circulation. A good many of these were withdrawn by reason of the fact that they had become mutilated or worn to such an extent as to impair their value.

Quarter-eagles are too much like bright pennies for circulation purposes, according to mint officials. Few people care to carry them longer than time enough to get them to the bank, and most of the coins quickly return to the vault after Christmas. Bankers have found them a decided nuisance, their customers requiring them only for special occasions such as gifts at birthdays, Christmas, christenings and so forth.

First coinage of quarter-eagles by the United States mint was in 1796, in Philadelphia.

BANKS RECEIVE NO INSTRUCTIONS ON CHEQUE STAMPS

But Bennett Says Postage Stamps May be Used

EXEMPTION PROBABLE

Strong Case Made by Farmers to Cancel Tax on Cheques Under $5

Canadian chartered banks say that as yet they have received no instructions to allow postage stamps instead of excise stamps on cheques. Accordingly, in spite of Rt. Hon. R. B. Bennett's declaration in the House of Commons last week to the effect that the present act allows either postage or excise stamps to be used, it is doubtful whether as yet bank officials will honor cheques bearing a two-cent postage stamp in place of the excise sticker.

Just what the ultimate fate of the excise stamp for cheques, will be, remains to be seen. After Mr. Bennett announced in the house that either postage or excise stamps could be used, strong argument was advanced by the members of the Opposition that if postage stamps were to be used the Government would lose considerable revenue since under the Canadian Postal Act, postmasters receive 70 cents per hundred on stamps sold up to five thousand and 50 cents between five and ten thousand, which means that there would be a 50 or 70 per cent reduction from the revenue which the Government might expect to receive from the sale of excise stamps.

Already Abolished Once

According to W. L. MacKenzie King it was for this very reason that the provision in force several years ago of allowing either postage or excise stamps to be used, was abolished after an eloquent appeal by the then Minister of Inland Revenue, as to the advisability of issuing separate and distinct stamps for revenue purposes. Mr. Bennett assured the house that the matter would be very carefully reconsidered and that the inconvenience of excise stamps to the public would be carefully weighed against the inconvenience to the Government of losing revenue through sale of postage stamps for revenue purposes.

Another possible change discussed at the same time was the possibility of exempting cheques of $5 and under as compared with the present impost of a 2-cent tax on all cheques. It may be remembered that in 1925 a similar exemption was made at the request of farmers who claimed that the tax was a hardship when imposed on the payment of cream cheques which are issued by thousands each week for amounts varying from 60 cents upward. It was claimed at that time (and reiterated again in parliament last week) that in actual practice farmers are forced to pay the two cents on such cheques, the tax being actually deducted from the amount of their cheque by the maker of the cheque.

Mr. Bennett promised to give this matter also his serious consideration, and held out some hope that this change might be effected.

Visiting Bank Officials Discuss War Debts

That there is no prospect that the United States would cancel all war debts, was the opinion expressed by Ralph Stone, chairman of the Detroit Trust Company and Regent of the University of Michigan, a delegate in the party of 200 members of the Michigan Bankers' Association who visited Toronto last week.

"This would defeat the very purpose on which America has set her heart, that of permanent world peace," Mr. Stone said. "It would merely give an opportunity to build up for another war, since the money which was now being expended in war debts could be applied to armaments."

Sask. Farmers Propose Provincialized Currency

Nationalization of all lands and provincialization of currency was discussed at one stage by United Farmers of Canada (Saskatchewan) who recently spent an entire day in conference with acting premier Hon. W. C. Buckle. The delegation included farm and industrial workers and presented a programme containing no less than 20 clauses to the acting premier.

The recommendations ranged all the way from a proposal that all holders of land be granted leases of land, to imposition of a steeply graded income tax from 5 per cent on incomes of $1,500, up to 80 per cent on $10,000.

Toronto's New Plants Approach 1930 Mark

Since the beginning of the present year 25 new industries, comprising a wide variety of products, have been established in Toronto as compared with a total of 30 during the whole of 1930, according to H. B. Keenleyside, general manager of the Toronto Industrial Commission.

All but two of the new industries are of United States origin; have a total plant investment of over $1,200,000; occupy 220,000 square feet, or about 5 acres of manufacturing floor-space; and are giving employment to more than 650 persons.

LENGTHY DEBATE ENDS DISCUSSION ON INTEREST RATE

Second Reading to Limit Rate to 7 Per Cent Not Achieved

After discussion by 12 or fifteen members on the floor of the House of Commons, the bill to amend the Bank Act and make the charging of more than seven per cent interest by chartered banks an indictable offence, was talked out last week when 9 o'clock, the hour of expiry for public and private bills, was reached without a vote having been taken.

The bill is sponsored by H. E. Spencer of Battle River and was up for second reading. Mr. Spencer quoted figures to show how the present Bank Act, which has a similar clause, but without any penalty, was being ignored. He stated that in Alberta, 134 places were canvassed and at 105 of these places eight per cent was being charged, while at every other place with one exception, the rate was higher than eight per cent and in some cases as high as ten per cent. The same was true, he said, of Saskatchewan. Of 79 places canvassed, eight per cent was being charged at 53 places and in all others—with one exception, where seven per cent was called for—a higher rate was charged.

"It is quite unnecessary for me to point out how unfair it is for the banks of this country to charge these exorbitant rates of interest contrary to the law as defined in the Bank Act," he said.

Civil Law Affected

J. E. Lawson of West York, speaking against the bill, objected to taking away the rights of the banks under civil law, which would be the case if charging of interest above seven per cent were made an indictable offence. "For the life of me," he said, "I cannot see any justification in legislating against one particular class of corporation because that corporation is engaged in a certain class of business. To my mind it is not fair to constitute as a criminal offence any action taken by a bank which would not be criminal if taken by any other corporation or by an individual. To my mind such legislation is the rankest kind of discrimination."

Hon. Raymond D. Morand of East Essex pointed out that the trouble lay not in the rate of interest charged in the original contract but rather when the contract was renewed. He believed legislation should be passed whereby the rate of renewal of a loan should not exceed the primary rate, namely 7 per cent as now stipulated in the Bank Act.

Monthly Bank Clearings

Eastern Cities	June, 1930	June, 1931
Halifax	$ 14,566,762	$ 13,791,482
Moncton	5,734,791	3,822,398
Sherbrooke	3,991,794	3,376,419
Ottawa	32,539,619	29,015,823
Montreal	607,204,377	490,767,480
Kingston	4,140,596	3,101,729
Peterborough	3,856,218	3,257,921
Toronto	532,533,134	440,613,678
Hamilton	25,957,878	22,940,981
Kitchener	5,397,444	4,866,966
Brantford	5,375,618	4,392,357
London	14,847,335	13,299,045
Chatham	2,915,479	2,139,202
Windsor	22,496,308	13,543,498
Sarnia	3,567,134	2,420,861
Sudbury	5,337,144	3,768,530
Western Cities	**June, 1930**	**June, 1931**
Fort William	$ 3,574,480	$ 3,099,716
Winnipeg	209,097,566	169,028,460
Brandon	2,098,685	1,766,157
Moose Jaw	5,392,113	3,143,599
Prince Albert	1,953,165	1,598,898
Edmonton	26,615,389	20,700,516
Calgary	40,152,288	28,019,433
Medicine Hat	1,414,830	1,060,592
Lethbridge	2,400,149	1,798,396
Vancouver	78,488,285	71,170,248
New Westminster	7,106,616	2,734,209
Victoria	11,276,373	8,041,398

Manitoba Acquires Many New Factories

Fifty-one new industries have been established in Manitoba and 26 plants have been expanded in spite of the 1930 depression, according to the annual report of the Industrial Development Board of Manitoba.

While the chief reasons for industrial removals and branch plant establishments is in most places the development of new markets, Col. J. B. Reynolds, vice-president of the Middle West Utilities Co. of Chicago pointed out that, as applying to Western Canada, and Manitoba in particular, the strongest factor is the accessibility of raw materials.

Weekly Bank Clearings

Eastern Cities	July 3, 1930	July 2, 1931
Halifax	$ 3,415,041	$ 2,528,258
Saint John	2,263,882	1,688,769
Moncton	1,033,575	813,801
Sherbrooke	871,434	805,844
Quebec	8,919,718	5,188,199
Ottawa	6,858,944	5,342,058
Montreal	170,874,346	105,008,206
Kingston	1,246,199	727,693
Peterborough	930,535	549,266
Toronto	104,141,679	88,953,483
Kitchener	1,173,641	835,065
Brantford	708,228	884,029
London	3,685,684	2,850,741
Chatham	635,016	523,768
Windsor	4,623,335	2,458,112
Sarnia	685,188	362,265
Sudbury	1,460,663	678,300
Hamilton	......	4,760,259
Western Cities	**July 3, 1930**	**July 2, 1931**
Fort William	$ 797,652	$ 560,538
Winnipeg	59,110,731	33,036,113
Brandon	465,814	350,399
Moose Jaw	1,272,870	688,707
Saskatoon	1,932,391	1,402,340
Prince Albert	473,444	352,803
Edmonton	6,276,375	4,216,700
Calgary	7,973,348	5,148,313
Lethbridge	......	371,667

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FIRE COMPANIES UNDER DEBATE IN PARLIAMENT

Change Made in Tax on Concerns Not Licensed at Ottawa

Fire insurance in Canada came in for a federal airing last week when the 15 per cent impost placed on foreign insurance companies not licensed at Ottawa came up for discussion. Although this tax does not come into force until proclaimed, an important change in the wording has been made, according to an announcement by Rt. Hon. R. B. Bennett, Minister of Finance.

It will be remembered that the tax at present is five per cent and under the Bennett budget this was raised to 15 per cent. On the suggestion of Hon. W. D. Euler, the new measure, although not yet proclaimed, has been changed to read that the tax be "not less than 5 per cent or more than 15 per cent." It was pointed out also that whereas previously the tax was imposed on net premiums when proclaimed it will be on gross premiums, and will be retroactive for such insurance in force on or after October 1, 1931. It was made clear from the discussion in the house that there would be no attempt to enforce this provision until after the decision of the Privy Council affecting foreign companies unlicensed at Ottawa had, been reached.

Having discussed the change from 5 to 15 per cent, federal members launched into a discussion of the pros and cons of the tax and the reasons why such a large volume of business from Canada was going to these foreign corporations. Mr. Bennett assured the house that before the act was proclaimed he would make certain that there would be no exploitation of Canadian insurers and that on the contrary he believed that the result of such a tax would be to decrease the cost of insurance.

"If the volume of insurance now in the hands of those affected by this legislation were carried by companies in Canada, the rates would be reduced," said Mr. Bennett. "I assure you that every means that can be taken will be taken to prevent there being any exploitation and I think the effect of this may be to bring about a substantial reduction in rates on the part of those who are registered in our own country."

In explanation of why the tax was to be levied on gross rather than net premiums, R. B. Bennett said:

"This tax, if made on the gross premium, would practically make the company's net receipts just such as its receipts would be if it carried on business in this country through agents. The officials believe—and I have satisfied myself so far as I reasonably can that this is sound—that this is the most equitable manner in which to enforce the act."

Farm Mutuals Exempt From 1 Per Cent Tax

All purely mutual insurance companies which carry fifty per cent of their business on the mutual principle are to be exempt from the newly-imposed federal insurance tax of 1 per cent, according to an amendment announced last week by Hon. R. B. Bennett.

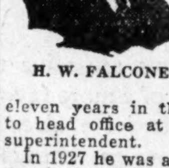
Originally these companies were exempted when a similar tax was enforced some years ago, according to Mr. Bennett, but later Hon. Mr. Fielding thought they should pay. Subsequently certain exemptions were allowed, and ultimately all were freed from the tax.

Although the final amendment had not been drafted last week, it was stated that it would be so worded that the exemption would not apply to the big cash mutual companies which compete with line companies.

FALCONER HEADS DOM. OF CAN. INS.

Celebrates Thirtieth Year With Company Next Month

After thirty years of continuous service with the company, H. W. Falconer has been appointed managing director of the Dominion of Canada General Insurance Company. He succeeds the late C. A. Withers.



H. W. FALCONER

Mr. Falconer began his business career with the company he now heads, in August, 1901. After spending six years at head office he was sent in 1907 to open branches for the company in western Canada, at Winnipeg, Calgary and Vancouver. After eleven years in the west he returned to head office at Toronto as general superintendent.

In 1927 he was appointed to the company's board of directors and made assistant managing director, the position he held until his appointment as managing director last week.

Fire Underwriters Elect J. H. Riddel as President

Canadian Fire Underwriters' Association, at the forty-eighth annual convention held in Toronto recently, elected officers for the year 1930-31 as follows: president, J. H. Riddel, Toronto; vice-president for Quebec, J. H. Labelle, Montreal; vice-president for Ontario, W. H. Haughton, Toronto; executive committee, P. L. Monkman, John Jenkins, Alexander Harrly, H. C. Bourne, Bertram E. Hards, and W. P. Kennedy, Montreal; and Kenneth Thom, Robert Lynch, Colin E. Sword, Thos. H. Hall, P. A. McCallum and A. M. M. Kirkpatrick, of Toronto.

PREMIUM INCOMES BRITISH FIRE COS. DOWN 6¼ P. C., 1930

Half the $16,000,000 Decline of 22 Companies Due to U. S. A.

Total fire premiums received during 1930 by leading English insurance companies fell 6.26 per cent, or nearly £3,300,000, below the 1929 figure, according to a summary published by the Stock Exchange Gazette.

Aggregate fire premium income of the five leading groups of British companies, the Royal, Liverpool & London & Globe, Commercial Union, North British & Mercantile, and London & Lancashire dropped from $71,579,600 to $63,824,500, and considerably more than half of this decline is attributed to the falling off of premiums derived from the United States.

In the condensed table reproduced below, dealing with the fire and accident departments, the premium incomes for 1930 and 1929 are contrasted. It is stated that every company in the table was able to show an underwriting rofit on fire business, although the total profit of the 22 companies listed fell from 6.36 per cent in 1929 to 6.93 per cent of the premium income. Claim ratios were on the whole somewhat higher than in 1929, especially with those companies having a large American business.

Accident and general departments show decline in business to have been quite nominal. The underwriting profit of the 22 companies declined from 3.97 per cent to 2.95 per cent of the premiums. Here, again, the falling off in profits is stated to have been almost entirely due to adverse conditions in the United States, which, according to the chairman of Royal Insurance "can be considered as a passing phase."

1930 Insurance Returns

	Fire Department Prem. Income £	Fire Department Claim Ratio %	Accident Department Prem. Income £	Accident Department Claim Ratio %
Alliance	2,046,171	39.6	1,193,733	52.5
Atlas	2,173,179	49.9	479,069	51.6
Caledonian	868,211	51.5	419,733	53.4
Com. Union	6,774,315	54.8	8,658,457	59.8
Eagle Star	867,803	58.4	1,656,004	50.5
Employers'	433,348	54.5	6,996,709	65.5
Gen. Accident	604,797	51.7	6,707,494	60.3
Guardian	1,081,337	46.6	775,320	51.5
L. L. Globe	4,699,243	49.4	5,695,890	64.2
Lon. & Lanc.	3,223,833	48.0	2,358,342	57.4
London Assce.	1,273,984	52.9	393,975	64.8
North British	3,900,709	54.6	1,561,318	49.9
Northern	2,333,411	54.7	1,627,877	50.2
Norw. Union	2,075,667	53.4	1,871,895	59.9
Pearl	473,330	56.9	191,237	48.4
Phoenix	8,090,623	54.3	8,791,341	59.6
Prudential	841,868	52.6	842,598	46.8
Royal Exc.	1,685,441	50.1	1,261,500	57.3
Royal	6,588,090	50.5	5,646,233	56.1
Scot. Union	1,311,486	52.2	251,398	46.2
Sun Fire	2,478,941	50.4	1,395,801	54.9
Yorkshire	1,026,784	51.4	1,348,010	56.4
	£49,852,571		£55,123,936	

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Canadian Pulp and Paper Industry

Bierman's Belgo Plan Holds Little Attraction For Security Holders

Suggested Recapitalization Calls for New Bonds

OBSTACLES IN WAY

Many Issues Not Confronted Fully—Will Deposit Securities if Conditions Met

By JOHN E. LANGDON
Eastern Editor, The Financial Post

MONTREAL. — Belgo-Canadian security holders are still in opposition to the reorganization plan for Canada Power and Paper. First the preferred shareholders met and, while admitting that the company might be better off under the aegis of Canada Power, claimed that their property was of such value as to entitle the shareholders to more than 3 shares of common in the new concern for each share of preferred now held.

Toward the end of the past week, the bondholders met and Hubert Biermans, former president of Belgo, maintained his stand that the bondholders should refrain from depositing their securities with the reorganization committee. His objection primarily was that the committee had failed to make an announcement of the new management and until such a step was taken, he advocated that the bondholders withhold depositing their bonds.

Need for Reorganization

It is obvious to anyone who has followed the career of Canada Power that bankruptcy proceedings are inevitable, if a reorganization is not undertaken immediately. Even Mr. Biermans concurs in this opinion. The plan for rehabilitation as put forward by the Security Holders Protective Committee is the work of a group of men whose integrity is undoubted. They have tackled the problem to the best of their ability and presented a plan in which they consider the interests of all parties have been given fair consideration.

There are many points to the reorganization plan, which of necessity could not be fully covered in the initial statement, but which have since been authoritatively discussed in The Financial Post. Among the points discussed has been that of management. As pointed out in these columns two weeks ago, the old or present management of Canada Power and Paper will not continue in power. But this feature should not be overlooked, namely, that of the governing board of eleven members, the Committee only has power to appoint seven members. This gives the Committee a clear majority and will enable it to establish a company and public policy over the next five years. The balance of the board is elected by the new common shareholders.

Views on Management

This view is reiterated by the Hon. Charles Dunning, chairman of the Committee, who has the following to say:

"It has come to the attention of the committee that Mr. Biermans, one time president of the Belgo Canadian Paper Company, has according to a statement in the press assumed that under the committee's plan for a reorganization the old management will be retained. By reference to the plan it will be observed that seven new directors, being a substantial majority of the Board, will be nominated by the committee and it is the policy of the committee to appoint men not now associated with the management or directorate of the company. Furthermore, it will be the duty of the committee and the new directors to insure that the new company shall have the most able management obtainable.

"Throughout its deliberations, the Security Protective Committee as its name implies, had one paramount objective—the best interests of the security holders. It believes that this plan gives promise of success, but to be of practical use, it must be made effective by the deposit of securities. In the belief that the sooner all doubts and uncertanties are dispersed the better, the committee has named the early date of July 15 as the date before which securities are to be deposited.

"It is quite possible that there are many, who, believing the plan will go through, think that it will not be necessary for them to go to the trouble of depositing their holdings. This, however, is a mistaken attitude, as it is essential that to hasten the consummation of the plan, each individual holder should co-operate by depositing his securities at once.

"It is gratifying to the committee that the great financial institutions, including the banks and the leading life insurance companies, should have investigated the plan and accepted the proposals. The committee only wishes to emphasize its view that all those security holders who have not yet done so, follow their example."

This statement does not leave room for any double meaning. It clearly and succinctly sets forth that the old management will not be in the saddle when the new company starts to function.

Protection for Preferred

Referring back to the bondholders' meeting. Mr. Biermans was asked by the chairman of the Preferred Shareholders Protective Committee of the Belgo company exactly how these shareholders would fare in the event Belgo did not enter the reorganization plan.

Suggested New Set-up

Mr. Biermans is quoted as saying that several plans were in the formative stage. Unofficial capital structure for Belgo Canadian Paper Co. was proposed by Mr. Biermans. And while "unofficial" it should be noted that this is probably the best plan that Mr. Biermans has been able to devise to date. It follows:

Reduce the present funded debt from $10,000,000 to $5,000,000;

A payment of $40 in cash for each $100 bond held;

Increase the preferred from $5,000,000 to $10,000,000, but reduce the dividend rate from 7 per cent cumulative to 5 per cent non-cumulative;

Each bondholder will get $100 of new preferred;

Change the 85,000 shares of no par common stock to $6,000,000 of new common: $3,000,000 will go to interests underwriting the bond issue and will give them control; old bondholders get $1,000,000 of common; $1,000,000 of common goes to the preferred and $1,000,000 of common goes to the old common shareholders.

On Feet in Three Years

It was the opinion of Mr. Biermans that such an arrangement, even though only a suggestion, would enable the company to pay dividends within a maximum period of three years.

Against this we have the offer of the Committee, namely, that for each $100 of bonds held, the holder would receive $125 of new bonds, plus a share of common stock; preferred shareholders would receive three shares of common for each share held; while common shareholders (virtually all of the common stock is held by Canada Power) would receive two-fifths of one share for each share held.

Analysis of Suggestion

An examination of Mr. Biermans plan shows that the bondholder would receive $40 in cash. Instead of holding a first mortgage bond, he would hold a 5 per cent non-cumulative preferred stock, upon which he might not receive dividends for three years. He would get $20 in common stock, the dividend possibilities of which are even more remote.

If the cash payment of $40 is invested at 5 per cent, the bondholders would receive at the end of a five year period an annual return on his original investment of $7, provided that developments were along anticipated lines.

Still Have Bond

It being taken for granted that developments under the Canada Power reorganization plan proceed just as favorably (as is more likely, as will be shown later on) the bondholder would still have a first mortgage on the property. From his holdings of $125 in new 5½ per cent bonds, he would receive an annual return of $6.87 at the end of five years. In both instances no consideration is taken of the common stock.

Turning to the preferred, the situation under the proposed Biermans set-up is hardly as good as that offered by the Committee. On the one hand, the preferred shareholders are offered $20 of common, and under the other, three shares of no par stock.

Mr. Biermans complains of the fact that the Committee does not make announcement of the new management. If the new board is competent and experienced, he would be willing that the Belgo bonds be exchanged.

Many Points Unanswered

Before allowing Mr. Biermans to proceed with his plan the bond and preferred stockholders are entitled to ask Mr. Biermans certain questions, which are even more pertinent than those he wants the Committee to answer.

In the first place, who will underwrite the bond issue? Mr. Biermans speaks of French and Belgian financial interests. But who are they? and what guarantee have the bondholders that in the event of foregoing their present rights, sufficient working capital will be raised?

One trouble with Canada Power and Paper was over-capitalization, but how does Mr. Biermans explain increasing Belgo's capitalization from $10,000,000 of bonds, $5,000,000 of preferred and 85,000 shares of no par value common to $5,000,000 of bonds, $10,000,000 of preferred and $6,000,000 of common?

Low Cost Producer?

Mr. Biermans states that Belgo is the lowest cost newsprint producer on the continent, which is true up to a certain point. Do the bondholders, as a body, know that Belgo's low costs are very largely due to the additional two machines installed by St. Maurice, and which are the absolute property of the latter?

Contracts Not in Sight

Mr. Biermans feels that the company will be able to pay dividends on the preferred shares within a maximum of three years, but he does not explain how, when and where he will get orders to operate the Belgo machines. As pointed out in previous articles on the Canada Power situation, the Hearst and other contracts are in the name of Canada Power. As a matter of fact, there is no publisher of any consequence who is not tied up with a long term newsprint contract. How then will sufficient business be secured to operate the machines of Belgo?

Further, it is understood that Mr. Biermans believes that he can carry on operating the plant at 70 per cent with $50 newsprint. This is a higher operating ratio than that reported by other Canadian mills for many months past. If Belgo attempted to cut prices, it would be necessary to operate at an even higher ratio to cover charges. On top of that the competitive price would be met by the other operators, provided Belgo showed any signs of making inroads on the business offering.

Deplete Working Capital

Then there is the question of securing pulpwood supplies. Belgo's woodpile at present is owned by the banks. The potential working capital would be severely depleted in arranging for this one item, which must be provided for before operations can commence.

All in all, it is difficult to see how Belgo can be successfully operated under present conditions. Mr. Biermans and others must and should realize that many changes have taken place in the newsprint situation since Belgo was an independent operator. Belgo made a fine showing under the old régime, but that does not necessarily imply that such would be the case if Belgo broke away from Canada Power and Paper.

Still Time for Plan

It appears that in order to survive, Belgo should stick to Canada Power and Paper. If the plan of reorganization as drawn up by the Committee does not appeal to the Belgo security holders, then they are free to suggest an alternative, but it should be one which would include the present set-up, for in that direction lies the salvation of Belgo and the other units going to make up Canada Power and Paper.

Hudson Bay Route Will Save 700 Miles

A saving of 831 miles as against the Vancouver-Liverpool route via Saint John, or 706 miles via Montreal is portended by the Hudson Bay route scheduled to be inaugurated in the fall.

The products of Western Canada now reach the British market either by way of the Great Lakes or by the Pacific ports and the Panama Canal. By the latter route the distance from Edmonton to Liverpool is 10,701 miles, but by the Hudson Bay route it is merely 4,574 miles, it being 1,538 miles from Edmonton to Churchill, and from there to Liverpool 2,936 miles.

From Edmonton to Montreal is 2,174 miles, and the ocean voyage to Liverpool is 3,007 miles, a total of 5,181 miles. From Vancouver to Saint John is 3,366 miles and the ocean trip thence to Liverpool 2,710, a total of 6,076 miles. The Hudson Bay route provides a journey of only 5,245 miles from Vancouver to Liverpool for the transport of Canadian wheat, cattle and dairy products en route for the markets of Europe. Wheat shipments will be the first to be made by the new route.

PRICE BROTHERS ALONE MAINTAINS USUAL DIVIDENDS

Only Newsprint Producer to Continue Payments to Public

From Our Own Correspondent

MONTREAL.—Price Brothers is now the only newsprint company, in whose stock there is a public investment interest, which is maintaining regular dividends on its preferred and common shares. Gradually all the other big producers have eliminated first common and then preferred payments and in some cases have passed bond interest.

There has been, as yet, no change in the dividend policy of Price Brothers. On July 2 the usual quarterly disbursement of one and five-eighths per cent was paid on the preferred and a payment of ½ of 1 per cent was made on the common for the same quarter.

Newsprint Prices Cut

To what extent the company has succeeded in maintaining earnings during the current year has not been disclosed. Prices for newsprint have been cut $5 as compared with last year, a factor which may have found some reflection in profits.

While the lumber market has not shown any improvement, this section of the business brought a satisfactory return last year in view of existing conditions. Collections were reported to be good in 1930, while at the end of the year practically no stock remained on hand. The last factor augurs well for the current year's activities.

Earnings Maintained in 1930

Net earnings of Price Bros. showed a relatively small decline last year, totalling $3,308,954, as compared with $3,332,798 in 1929. After provision for bond interest and depreciation there remained a sum equal to $20.65 a share on the preferred and $2.18 a share on the common. A dividend of 6½ per cent has been maintained on the preferred since 1926, while the common has paid $2 a share since 1921.

The common stock has declined marketwise, but at present prices of around 30 does not return an exorbitant yield, for the $2 dividend at this point gives a return of 6.67. This yield, in fact, is lower than that prevailing on the preferred quotations, which amounts to 7.64 at quotes of 85.

FRASER DEPOSITS SUFFICIENT SUM FOR BOND NEEDS

Half Year Payment on First Mortgages to be Made

From Our Own Correspondent

MONTREAL.—Fraser Companies has deposited with banks a sum sufficient to cover half-yearly interest payment on the six per cent bonds. This disposes of reports to the effect that the company would default interest on July 1.

It is stated that under the new mill management, the company is showing better results. Conditions in the pulp and lumber markets, however, are still unsatisfactory and present prices do not allow an appreciable margin of profit.

Large Funded Debt

At the end of 1930 the company had outstanding $8,202,000 six per cent first mortgage bonds. In addition to this, there were outstanding $6,000,000 of 6½ per cent debentures on which interest was passed in April, 1931.

Payments on the $3,500,000 of six per cent notes, due 1932, have been maintained, while there is also issued another $4,000,000 of notes which are not publicly held. The Restigouche Co., a subsidiary, has outstanding $1,900,000 of 5½ per cent first mortgage bonds.

Plan Reorganization

Fraser Companies' management is working on a plan of reorganization, which is expected to bring its present structure more in line with earning power. Operations last year, after all charges, resulted in a loss of $4,219,407.

This was due to heavy losses in lumbering operations and a poor pulp market. The new Athol mill of the Restigouche Co., which came into production in May, 1930, with an output of bleached sulphite pulp, only operated at 47 per cent of capacity. It was stated officially that had it been working at 100 per cent of capacity it was doubtful whether it would have been able to show a profit account of prevailing prices.

National Paper Box Expects Business to Hold '30 Level

For the first five months of 1931, the business of the National Paper Box Ltd., Vancouver, held close to the record level of 1930, despite lowered price schedules. Orders now in hand will keep the company's plant busy for at least two months and the management believe that business for the full year will approximately equal the 1930 turnover. There is considerable investment interest in the company as the result of the recent bond issue.

CORRUGATED BOX STILL IS FEELING KEEN COMPETITION

Red Ink Figures in First Six Months, is Report

Completion of the first six months business of Corrugated Paper Box Company has seen a serious competitive condition in the field merely intensified. The annual report of the company for the year of December 31st, 1930, issued in March, referred to the lower sales volume of the company due to the business depression and also to the new competition of additional corrugating units that have come into the field since the company opened up its new plant at Leaside, Ontario, in 1929. It is understood that after allowance for depreciation the company showed a loss for the first six months' operations, but that its liquid position, which is strong, was well maintained and that the company is still fortified to continue the competitive battle that it has had to wage for the past two years. Price cutting in the field, particularly from some of the smaller companies that have grown up as a reflection of the serious situation in the paper field generally, continues but it is felt that each day brings the end of this situation nearer to view.

A good volume of business is being done and the company is economically managed.

Started in U. S. A.

Competitive situation in the paper box field developed as a result of the dmping of surplus stocks from the United States, but no sooner had tariff readjustment given the Canadian Corrugated Paper Box Company relief from this pressure than a similar situation developed in Canada on a smaller scale.

The company has benefitted from the recent tariff changes, and it is likely that this benefit will become more marked as business volume improves. The chief benefit comes in the assurance of a larger turnover of products in Canadian factories thus increasing the home demand for package materials and of course the freedom from unfair American competition also helps.

Lumbering Easily Leads All B. C. Industries in 1929

Of 25 leading industries of British Columbia in 1929, saw-mills came an easy first with products to the value of $64,637,301, over 23 per cent of the total for the province and the Yukon. Next came fish curing and packing with $21,741,910, followed by the pulp and paper industry, $16,896,652, electric light and power, $13,574,731, and slaughtering and meat-packing, $11,744,300.

The value of petroleum products amounted to $8,729,402, this industry ranking sixth.

The census of industry for 1929 for these territories, compiled by the Dominion Bureau of Statistics, shows that the 25 leading industries, consisting of those with a minimum of three establishments, produced $202,206,637, or 73 per cent, of the total of all industries in British Columbia and the Yukon of $276,950,914.

Farmers Want Trees

The Dominion Forestry Department at Sutherland this year distributed about three million young trees to Saskatchewan farmers, for use in planting windbreaks, shelter belts and other purposes.

CAN. CELANESE DIVIDENDS LIKELY PAID QUARTERLY

Shareholders Approve Change in Preferred Stock Disbursement

From Our Own Correspondent

MONTREAL. — Shareholders of Canadian Celanese Ltd. have approved a change in the company's by-laws, permitting payment of dividends on the 7 per cent preferred stock quarterly rather than semi-annually as has previously been the case.

Dividends on the preferred stock commenced with a payment of 3½ per cent for the second half of 1930, followed by a similar disbursement for the first half of 1931. It is assumed that the third quarter payment will be made by itself at the rate of 1¾ per cent.

Preferred in Arrears

At the present time the preferred stock is in arrears to the extent of 29¾ per cent. The management has stated that liquidation of these arrears will be one of the first considerations of the company; the preferred stock is the first charge on earnings, since there is no funded debt.

Operations of Canadian Celanese are being carried on at capacity and earnings, it is reported, have been well maintained. The company has increased output and sales have shown wide gains, but prices have been substantially reduced to the trade.

Earnings Gained in 1930

Earnings in 1930 rose to $1,254,580 as compared with $527,519 in the previous year. After provision for depreciation, income tax and a reserve for contingencies, the preferred dividend was earned over 1¼ times.

Canadian Celanese preferred and common shares were called for trading on the Montreal Stock Exchange on July 6. Previous to this time, they had been traded in on the unlisted section of the Montreal Curb Market.

CAN. BRONZE PROFITS COVER DIVIDEND NEED

Inventory Position Reported Sound Despite Prices for Copper

From Our Own Correspondent

MONTREAL.—Earnings of Canadian Bronze Co. for the first five months of the current year, were slightly in excess of dividend requirements, after provision for depreciation but before income tax. Regular dividends on the preferred and common shares at the rate of 7 per cent and $2.50 have been maintained.

While earnings have been restricted by traffic conditions on the railways, —Canadian Bronze supplies about 70 per cent of the total replacement business—it is understood that working capital is higher than the $756,528 shown in the balance sheet at the end of 1930.

Inventories also are reported in a sound position and to date reserves set up by the company have been sufficient to take care of the present low price of copper for any surplus there may be on hand.

An improvement in copper prices and increased activity in railroad traffic are two factors which have an important bearing on further progress this year.

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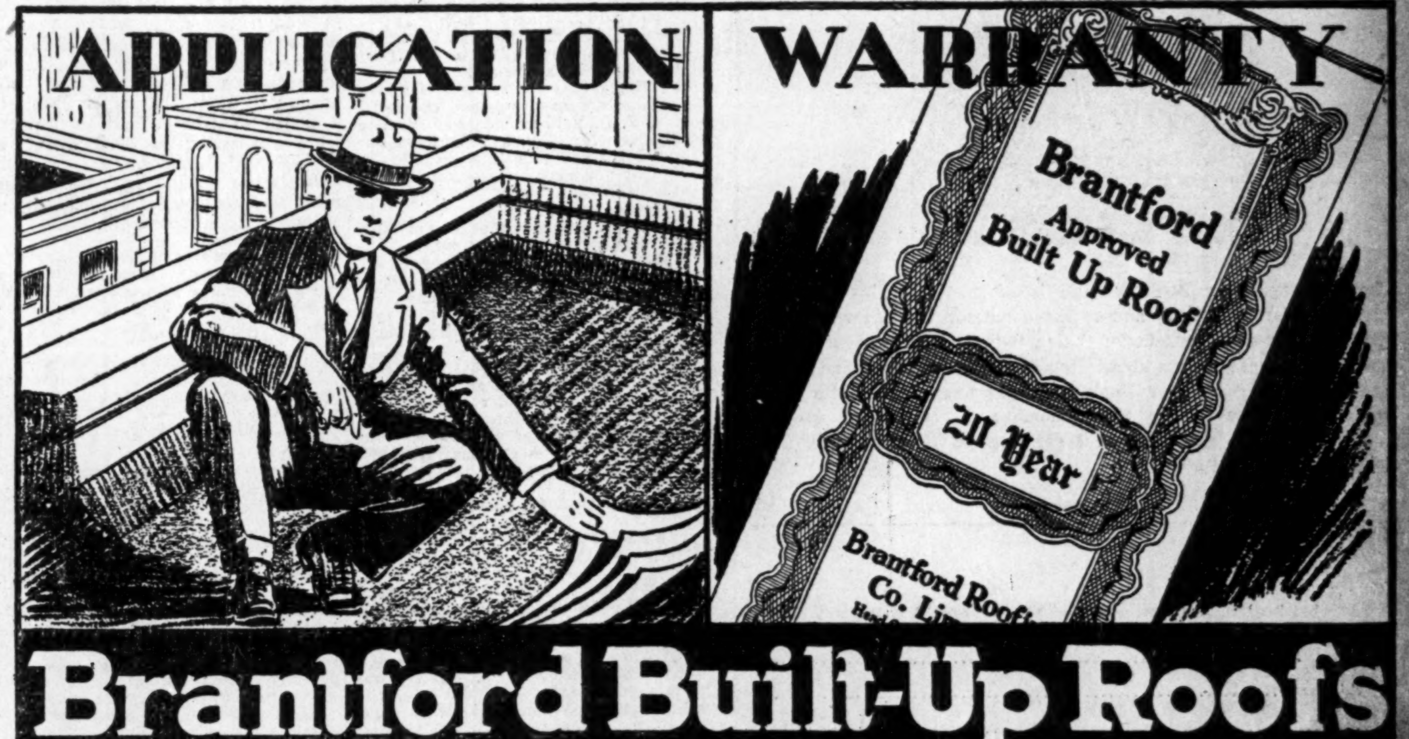

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TORONTO

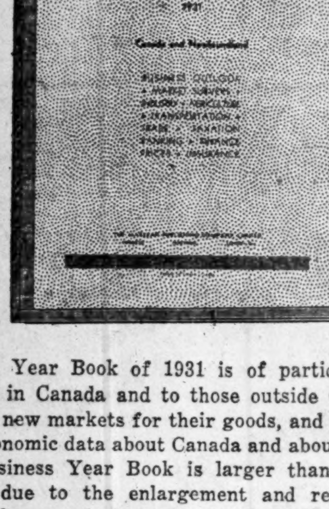
Glenwood Mine Starts Diamond Drilling Campaign

Glenwood Mining Co., owning a copper-gold prospect about one mile south of Rouyn, Quebec, has started a diamond drilling campaign.

The company's property consists of about 300 acres formerly known as the O'Donnell claims.

Early in 1929 a shaft was started in what was outlined as a brecciated rhyolite zone about 90 ft. wide in which was included a quartz vein about 12 ft. wide. Last year further shaft work was done and encouraging, but low values in copper and gold reported.

Answers Your Questions About Canada and Newfoundland



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Canadian Mining News

HOWEY REPORT REVEALS HOPE FOR SUCCESS

Costs Met When Credit Given For Excess Ore Broken

GRADE, COSTS LOW

Plans Laid For Increasing Mill to 750 Tons Daily Capacity

The annual and interim report of Howey Gold Mines for operations to May 31, 1931, adds but little to the complete financial statement appearing in The Financial Post a few weeks ago, covering operations to April 30.

Profit on operations for the five months ended May 31, 1931, was $27,601, as compared with a deficit of $7,349 for the nine months period ended Dec. 31, 1930. Depreciation, development and pre-operating expense write-offs make the deficit for the five months period to May 31, a total of $61,366. The addition of the $149,853 deficit from the nine months operations to Dec. 31, 1930, brings the total deficit from operations after write-offs and adjustments to $210,478.

The following is a comparison of the income and surplus accounts from the commencement of operations on April 1, 1930, to May 31, 1931:

Income and Surplus Account

	5 Mos. ended May 31 1931 $	9 Mos. ended Dec. 31 1930 $
Ore production	313,768	460,428
Discount received	....	314
	313,768	460,742
Less:		
Dev. & drilling	12,931	29,405
Mining	139,275	206,601
Slash. & haul. levels	1,914	6,780
Box holds	10,799	14,928
Crush. & convey.	14,447	20,447
Milling	65,609	100,729
Ship. & mktg. bullion	3,421	5,339
Insurance	5,811	10,217
Admin. & gen. exp.:		
Mine office	11,401	37,430
Head office	4,573	13,824
Int. paid, less rec.	16,486	22,391
Profit on oper.	27,601	*7,349
Less:		
Depr. of bldgs., plant, etc.	45,111	76,241
Dev. & pre-oper. exp. w.o. at the rate of 60c per ton milled	44,356	66,263
Deficit for period	61,866	149,853
Add: Prev. deficit from oper.	149,853	....
Less: Adjustments	1,241	....
	210,478	149,853

*Deficit.

After adequate write-offs for depreciation and pre-operating developments a deficit was incurred but, in the meantime, excess development work increased the broken ore reserves by 74,499 tons at a cost of practically $70,000. By the end of the year officials believe that this work can be curtailed as sufficient broken ore will have been developed for a year's requirements. If this plan is followed, and costs continue as at present, a slight profit after depreciation and other write-offs is foreseen.

Recovery Over $4

Production since the commencement of operations together with recovery, is as follows:

Production Summary

Period Ending	Tons milled	Gross value	Recov. per ton
Dec. 31, 1930 (9 mo.)	110,438	$460,428	$4.17
May 31, 1931 (5 mo.)	73,927	313,768	4.24
	184,365	774,196	

Operating costs are showing a decline, despite the rapid rate ore is being broken. On May 31, 1931, ore reserves were estimated at 879,379 tons averaging about $4.25 per ton. This estimate included 156,379 tons of broken ore in the stopes, 373,000 ore to be broken and 350,000 tons indicated but incompletely silled out.

The broken ore reserves were increased, during the first five months of the current year, equivalent to the amount of ore treated, indicating that ore is being broken twice as fast as used. The following detailed costs include this extra development.

Production Costs Per Ton of Ore

	May 31 1931 $	Dec. 31 1930 $
Develop. & explor.	0.17	0.27
Mining	2.05	2.07
Milling	1.09	1.10
Taxes & marketing	.05	.05
Gen. & adminis. exp.	.51	.76
Total oper. costs	3.87	4.25
Deprec. & write-offs	1.21	1.30
Total costs per ton	5.08	5.55
Recovery per ton	4.24	4.17
Loss per ton	.84	1.38

R. T. Birks, president of the company commented on operations as follows:

"There is excellent reason to presume that there is sufficient reserve above the 1,000-ft. level to supply the present mill for four years. We are further advised that the profit to be gained from this tonnage will be materially increased if we adopted an adequate underground haulage system, sorted 150 tons of low grade per day in the sorting plant and increased the mill to 750 tons daily. The planning and financing of this expansion will be the first problem of the new board.

"Realizing that the margin is small, your directors have engaged the services of F. D. Reid as manager of your enterprise. Mr. Reid's reputation for conservative and economic operation is such that you may be assured that no possibilities for profitable operation will be overlooked.

'Too much credit cannot be extended to W. S. Cherry, vice-president of the company for his unprecedented financial support. Had he not drawn freely on his own personal financial resources, re-organization of the capital structure or bankruptcy would have been inevitable.

"The future earning possibilities of the property are bright and conditions generally point to wider and possibly longer orebodies with depth and the tendency to increased gold values with depth is marked. A substantial profit, however, can be made if the grade of ore below the 1,000-ft. level is the same as that above, provided the orebodies are of a like size."

Shareholders are reminded of Howey's financial difficulties of last fall by the president, who says:

"Immediately after the shareholders' meeting of October 20th last your directors found themselves faced with an overdue obligation to Mr. Cherry of $470,000 as well as current commitments for $180,000. Mr. Cherry was persuaded to extend his old loan and he and his associates agreed to make a further advance of $125,000 to meet the most pressing current obligations. Your directors then laid out a programme which we believe will gradually retire the indebtedness of the company."

The balance sheet as at December 31, 1930, shows current assets of $319,509, including $252,551 in supplies. Current liabilities total $660,143. No balance sheet is published as at May 31, 1931, but figures given to The Financial Post in May last, showed total liabilities as at April 30, 1931, $594,577 which indicates the rate at which liabilities are being reduced.

All the authorized capitalization or $5,000,000 is outstanding.

The annual meeting of the company is called for July 13 in Toronto.

McIntyre Encounters Scheelite in New Work

Not of Commercial Importance But is Interesting as It is Regarded as Harbinger of Good Ore

Scheelite, an ore of tungsten, has been encountered in drifting on the veins recently opened up in the Platt Vet section of the McIntyre Porcupine Mine.

At the annual meeting two weeks ago R. J. Ennis, general manager, made reference to diamond drilling having encountered five feet of $28 ore and cross-cutting encountering three veins averaging $7.20 in gold. It was while drifting on one of these veins that the tungsten ore was found. Scheelite is not uncommon in McIntyre deposits, but the amount encountered on the Platt Vet claims was in excess of anything previously encountered although far from being in commercial quantities. The principal significance of the scheelite, according to officials of the company, is that in the past where it has been encountered, even in small quantities, it has been associated with good ore, and has become regarded as a harbinger of good ore.

Scheelite and other ores of tungsten have been discovered in almost all the provinces of Canada and small consignments of concentrates have been shipped at various times. No ore has yet been developed that could be considered of commercial importance. In Halifax county, also in Lunenburg, N.S., small shipments of concentrates were made between 1912 and 1916. Wolframite, an other ore of tungsten, has been found on the Miramichi river, a few miles above Boiestown, N.B. At one time an operating company was formed to work the deposits in New Brunswick. A company was also incorporated for that purpose in Nova Scotia, both having long since been out of existence.

CONIAURUM MINES DEVELOPING VEIN ON LOWEST LEVEL

New Find Believed to Be Downward Extension of No. 7 Vein

What is believed to be the No. 7 vein system has been picked up by Coniaurum Mines in diamond drilling from its 2,500-ft. or lowest level.

Late in 1930 a two-compartment winze was completed from the 2,000-ft. to the 2,500-ft. horizon and two new levels established, one at 2,250 ft., the other at 2,500 ft. From a south cross-cut from this winze to the porphyry contact, a drift was continued along westward, approximately 600 ft. without encountering ore. At the point about 400 feet west of the cross-cut several horizontal diamond drill holes were started to the north. Last week a strong vein system was encountered as a result. This vein lies about 250 ft. north of the porphyry contact. A further diamond drill hole put out 200 ft. further west also encountered the vein.

Cross-Cut Driven

This is the most interesting work done on the new low levels and while no commercial ore was encountered in diamond drilling, a cross-cut is being driven toward the vein and it may be explored.

The tonnage treated averages the usual 350 ton daily, but heads have increased somewhat recently and recovery is now in excess of the $5.42 average for the first quarter of the current year.

STADACONA MINE TO REORGANIZE CAPITALIZATION

Capitalization to Be Decreased From $5,000,000 to $3,500,000

Stadacona Rouyn Mines shareholders are in receipt of official notice of an annual as well as a special meeting, called to consider and approve of a reorganization of the company.

The reorganization calls for reducing the present authorized capitalization, consisting of 5,000,000 shares of no par value, to 3,500,000 shares of no par value. Existing shareholders will be issued 1,000,000 shares of the new capitalization on the basis of one new share to each 5 shares now held. Of the remaining 2,500,000 shares, 200,000 shares are to be set aside for sale by the syndicate at 12 cents per share. This offering in so far as possible will be made in the form of a rights to existing shareholders, the syndicate to receive a commission of 25 per cent or 3 cents per share, for selling expenses. An additional 300,000 shares are to be issued to the company's shareholders at 18 cents per share. The selling cost of this offering not to exceed 25 per cent, which nets 13½ cents to the treasury.

Shares Will Be Pooled

All the 200,000 and 300,000 share-offering sold to the old shareholders will be pooled and held in escrow for six months from the date of issue. The balance of the authorized capitalization or 2,000,000 shares, is to be sold on the best terms possible, at the discretion of the directorate.

Stadacona Rouyn Mines was incorporated in 1925 to develop holdings in Rouyn, Dufresnoy, Boischatel and Clericy townships in northwestern Quebec. The principal work has been confined to block No. 2 on the north shore of Pelletier Lake in Rouyn township, where a shaft has been sunk to a depth of 300 ft. Diamond drilling on the 300-ft. level indicated an extension of the vein, encountered on the upper level, to a depth of 900 ft. All operations were suspended in 1930 owing to depletion of finances.

Both the special and the annual meeting is called for July 24, in the Windsor Hotel, Montreal.

Index Numbers of Mining Stocks

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base of 1926=100, was 72.0 for the week ending July 2nd, as compared with 69.7 for the previous week.

Eleven gold stocks remained unchanged (68.7), four gold-copper stocks rose from 77.6 to 87.8 and five silver and miscellaneous stocks from 30.9 to 33.6.

MERLAND REPORT SHOWS NO. 1 WELL GOOD PRODUCER

Liabilities Soon to Be Liquidated—Production Shared

The annual report of Merland Oil Company of Canada for the fiscal year ended April 30, last, states that the company's No. 1 well blew in May 16, 1931, and on June 5, was producing 447 barrels of crude naphtha daily.

Early in December, 1930, a contract was completed between the company and the Northwest Co., a subsidiary of Imperial Oil, whereby the former undertook the completion of Merland's No. 1 well located in Turner Valley. When the Northwest Co. took over drilling operations tools were stuck in the hole necessitating the well being cleaned out. Early in March drilling was resumed and the top of the limestone was encountered at a depth of 4,965 feet. Production was encountered at 5,560 feet. The initial gas flow was estimated at 26,000,000 cubic feet daily and, according to officials of the Northwest Company, the performance of the well to date makes it appear as one of the best wells completed in Turner Valley.

Leases Dropped

The company formerly held approximately 4,038 acres of oil leases outside of Turner Valley as well as 320 acres section 27, township 18, range 2, west of the 5th, the site of the present well. Owing to burdensome taxes, all the leases outside of the Turner Valley were dropped.

Hon. Manning Doherty, president of the company, says despite the current price of crude naphtha, i.e., $2.74 per barrel, the daily returns from production should in a very short time discharge all the obligations and permit a distribution to the shareholders.

The balance sheet showed current assets totalling $15,163, and current liabilities totalling $54,845 made up of accounts payable of $2,790 and loans from the Stobie, Forlong Assets Ltd., totalling $50,000 with accrued interest.

Thurlow Gold Responds to Development

Work at the Thurlow Gold Mines, now under development by the Pacific Copper Mines, is progressing rapidly, according to information from Vancouver.

Present work consists of sinking a 10 ft. by 12 ft. shaft, now down about 75 ft., and the running of a drift in the direction of a 90-ft. tunnel driven in on the vein to a cross fault that cut off the vein.

The vein varies from 2 to 5 ft. in width and some very interesting gold values have been reported by the district engineer of the British Columbia department of mines. The work done indicates a continuous ore shoot from the old shaft to the face of the tunnel —over 300 ft. Two tons of sorted ore from the tunnel gave a smelter return of about $50 per ton in gold.

The district engineer says the property has every chance of opening up an ore shoot 300 ft. long of milling grade and sufficient tonnage to make profitable a small operation.

MID-WEST OILS IN LIQUIDATION

Failure of Mid-West Oil Co. shareholders on June 10 to reach an amicable settlement has resulted in a decision of the company to go into voluntary liquidation.

The motion to wind up the company resulted in a show of 567,565 shares in favor and 24,462 shares against. The Dalhousie Oil Co., a subsidiary of the Royalite Co., which owns 550,000 shares of Mid-West stock was the deciding factor in the action taken. A. C. Fraser of the London Western Trust Co., Vancouver, is to be the liquidator.

The new company, which is to be known as the Mid-West Petroleums, Ltd., will have an authorized capitalization of 1,000,000 shares of no par value and shares in the old company will be transferable into those of the new on a share for share basis. The old company had an authorized capitalization of $1,000,000 in $1 par value shares of which approximately 921,333 were outstanding.

Alexander Hannah, K.C., pres., of Mid-West Oil Co., said the best thing that can be done in the interests of everyone is to have the company put in liquidation. All the grievances of the minority shareholders can be thrashed out before an independent liquidator and by the formation of a new company operations can be resumed again with a clean slate.

The company owns 140 acres in Turner Valley on which two wells have been drilled to approximately 3,750 ft. depth, but which have been shut down for many months. The Royalite Oil Co. made an offer to continue the drilling, but at the recent meeting this offer was withdrawn owing to some of the minority shareholders having intimated that they could obtain a better contract than that offered by Royalite.

CENTRAL MANITOBA OUTLOOK IMPROVED REPORT REVEALS

Operating Costs Still Exceed Revenue But Improvement Recorded

YEAR'S LOSS $36,925

Recent Find Gives Officials Encouragement to Continue

Annual report of Central Manitoba Mines for the year ended April 30, 1931, indicates progress is being made, but operations last year showed a net loss of $36,925, after write-offs of $40,436.

This compares with a loss of $129,904 incurred in the previous year's operations.

The following is a comparative income and surplus statement since the commencement of operations in October, 1927:

Income and Surplus Account
Years Ended April 30

	1931 $	1929* $	1928 $
Bullion rev.	408,903	505,640	84,186
Less oper. exp.:			
Development	238,216	138,479	28,116
Mining		197,405	101,309
Mill oper.	141,962	131,725	49,038
Royalty	2,431	13,093	3,453
Bullion exp.	7,301	....	....
Insurance	5,864	8,285	7,490
Admin. & gen. ex.	18,285	35,884	17,090
Operating loss	5,156	19,235	122,301
Add non-operating revenue:			
Int. & exchange.	5,166	1,614	5,655
Sundry revenue	3,501	4,033	2,433
Less:			
Written off organ. exp.	....	....	7,671
Depreciation	40,436	36,537	16,687
Net loss	36,925	50,122	138,571
Add: previous deficit	322,987	138,571	....
Adjustments	....	4,390	....
Less: Rebate	14,556	....	....
Def. to bal. sheet	345,356	193,083	138,571

*1930 figures not available in detail.

The company's property consists of approximately 1,500 acres covering about 2½ miles along a main break about 125 miles northeast of Winnipeg. Early operations were confined to milling ore previously blocked, but, this having been depleted attention has been directed at finding additional ore. Last year the Tene No. 1 claim was acquired and recent reports indicate satisfactory results are being obtained. H. C. Davis, chairman of the board commented on operations as follows:

"Since the last general meeting Messrs. John Taylor & Sons have retired as mine managers and Arthur Miles has retired as president of the company. No successor to Mr. Miles has been elected as yet, and the mine management has been carried on by the W. A. D. syndicate.

"Your management has had difficulties in building up any considerable ore reserve, and your directors have decided, they trust with your approval, on a definite programme of intensive ore development over three months, starting about the middle of June and continuing until the middle of September, with a view to re-establishing ore reserves."

In this connection, it is stated by T. C. Anderson, vice-president of the company, that excellent results have followed the commencement of the programme of development. A new find recently made on the 140-foot level of the Tene 6 claim, and has already been traced more than 100 feet in length, with substantial widths and values.

According to a letter written by I. M. Marshall, mine manager, development work has resulted in putting two months ore in sight. This ore body, it is explained. was not disclosed by the diamond drilling campaign, and which never was much favored by the local management. In fact it is said there is more ore in sight now than there has been at any time in the past year.

"The mill will continue to operate," T. C. Anderson said in discussing the report, "and our returns are showing up excellently now. We have commenced sinking on the Hope claim at the east end of the property, and we all feel greatly encouraged over the recent developments."

In the past year the mill treated the greatest amount of ore in the company's history but the grade was lower. Of the 55,051 tons milled, 2,431 tons came from the Tene No. 1 claim, leased by the company last year on a royalty basis from the Manitowan Syndicate and now under exploration.

Production since the commencement of operations has been as follows:

Summary of Production
Years Ended April 30

Period	Tons Milled	Recovery Per Ton	Bullion Recovered
1928	14,171	$5.67	$ 80,469
1929	52,659	9.60	505,640
1930	53,436	7.84	418,703
1931	55,051	7.44	408,903
	175,317		$1,413,715

Operating costs have shown a gradual decline since operations commenced but are still in excess of the recovery made.

The following is a comparative statement of operating costs:

Production Costs Per Ton of Ore
Years Ended April 30

	1931 $	1930 $	1929 $	1928 $
Develop. & explor.	4.33	...	2.63	1.97
Mining			3.75	7.14
Milling	2.58	...	2.50	3.46
Taxes & marketing	.13	...	.25	.24
Gen. & admin. exp.	.48	...	.84	1.73
Total oper. costs	7.52	...	9.97	14.54
Depr. & write-offs	.74	...	.69	1.71
Total cost per ton	8.26	*10.36	10.66	16.25
Recovery per ton.	7.44	7.84	9.60	5.67
Loss per ton	.82	*2.52	1.06	10.58

*Estimated.

The balance sheet shows current assets totalling $151,395, including $55,068 in bullion and $48,590 in cash. Current liabilities total $21,847, made up of sundry creditors and pay roll.

Patricia Birch Lake To Develop Property

Patricia Birch Lake Mining Corp. is sending a party into its property to start shaft sinking operations.

The company is a consolidation of the Navarre Mine and the Patricia Birch Lake Syndicate. Its holdings comprise 15 claims in the Birch Lake section of Patricia district Ontario, adjoining a prospect of McIntyre Porcupine Mines.

The authorized capitalization is $6,000,000 in $1 par value shares, increased from $3,000,000 last fall, to take care of the consolidation. Approximately $3,397,625 shares are outstanding. Recently New York interests undertook to provide additional finances and listed the shares on the New York Produce Exchange.

Oil Selections Offers Rights to Shareholders

Oil Selections, Ltd., officially advise that shareholders of record June 30 are offered rights to purchase 500,000 shares at 7 cents per share, in the ratio of one new share for each two shares held.

Last week shareholders approved of increasing the capitalization from 1,000,000 to 2,000,000 shares to provide additional finances that operations in East Texas field might be continued. The company has 11 acres of oil leases in this area and one well, estimated to have an initial flow of 35,000 barrels daily was brought in recently and it is understood there is room for drilling three additional wells.

Vulcan Oils Reports Loss On Operations

A financial statement by Vulcan Oils Ltd. for the 30 months period from July 1, 1928, to Dec. 31, 1930, showed a net loss from operations of $2,819, including $9,271 written off on depreciation of equipment.

Revenue from production is given at $28,735, miscellaneous income brings the total revenue to $34,473. Administration expenses of $21,681, royalties of $2,873, taxes of $3,467 and depreciation of $9,231 go to make up the net loss of $2,819.

The balance sheet shows current assets totalling $79,931 as against current liabilities of $2,292, or a net working capital of $77,638.

The company owns two groups of leases in Turner Valley, each of 20 acres. On L. S. D. 11, section 13,-20-3 w5, Vulcan No. 1 well was drilled to a depth of 5,005 ft. and brought into production in 1928. In 1929 the marketed production of crude naphtha to the refinery was given at 2,305 barrels. In 1930 it was 1,402 barrels. During the first quarter of the current year no production is shown.

TURNER VALLEY GAS PRODUCTION ORDERED REDUCED

Production to Be Reduced to 40 Per Cent of Open Flow

"Hell's Half Acre" which so spectacularly illuminates Turner Valley through its burning of waste gas from the naphtha producers, is to be effectively curbed at once by a gas conservation order made by the Alberta provincial government.

An order-in-council made last May is to be brought into effect this month which restricts open flows of the Turner Valley naphtha producers to 40 per cent.

The question of gas conservation, which has been under discussion for some time, is now a reality and an attempt is being made to curtail the waste gas now being burnt in the field after the crude naphtha has been extracted.

The Royalite Co. and some of the larger producers, have marketed a large proportion of their gas, but during the summer months the market is restricted. Some of the independent producers are not connected with pipe lines, and thus all crude naphtha production is taken at a great economic loss through the wastage of gas.

The immediate reduction to 40 per cent of the open flow is not as drastic an action as it first appears, since most of the producers hold down the production to 50 per cent or 75 per cent of the open gas flow.

Some producers will doubtless be put out of business by the new regulations since the state of their casing is in no condition to adopt the new regulations. An advisory board which considers such matters is expected to take up the question in order that no undue hardships will be experienced.

The question of gas conservation has been a subject of a very complete investigation by provincial authorities. It is realized that some effective measures must be taken at once, as the gas pressure in Turner Valley has been dropping at a rate of about one and a third pounds daily, according to Stanley Slipper, geologist of the Canadian Western Natural Gas, Light, Heat and Power Co., of Calgary. Turner Valley gas flow is estimated at 500,000,000 cubic feet daily. Only a small percentage of which can be economically used in the summer season.

ADMIRAL OILS MARKS TIME REPORT SAYS

Assistance to Other Companies Brings But Little Reward

At a recent meeting of shareholders of Admiral Oils, it was announced that the company's policy had been to assist others in developing holdings and to itself to mark time, temporarily awaiting further developments in the various potential oil fields in which it is interested.

A loan of $1,500 was made by the company to Celtic Petroleum to assist in financing its drilling operations. The failure of this company to reach production on its holdings, which adjoin that of the company in the Red Coulee field, necessitated the company's calling on the directors of Celtic for repayment of the loan. Casing received from the Orville Oil & Gas Development Co. in settlement of a debt was turned over to the Rayco Oils in consideration of 40 acres adjoining the Rayco well, on condition that if commercial production was secured payment would be made to Admiral. The Rayco well was drilled to a depth of 2,420 ft. without securing commercial production, but it is now being deepened by the Ribstone Oil Co., which has hopes of securing a calcium chloride well.

The balance sheet as at May 31, 1931, showed current assets totalling $17,456 including Alberta Provincial savings certificates totalling $15,000. There are no liabilities other than for stock issued, totalling 333,338 shares, of which 93,338 were issued for cash and 240,000 issued for leases.

Trail Smelter Receipts

Following is a statement of ore received, at the Trail Smelter, for the period June 22nd, to 30th, 1931, inclusive:

Name of Mine	Locality	Tons
Bell	Beaverdell	51
Union	Lynch Creek	54
Total		105
Total Company		9,401

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